Who are we?
The Australian Trade and Investment Commission (Austrade) contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators and governments as they:
› develop international markets
› promote international education
› win productive foreign direct investment
› strengthen Australia’s tourism industry.
Austrade also helps Australian citizens by providing consular and passport services in designated overseas locations.

Our staff
1,095 Austrade staff at 30 June 2017, 70 per cent of whom were employed in client-focused operations in Australia and overseas. Staff turnover was 11.3 per cent and the gender balance was 56 per cent female and 44 per cent male. For detailed staffing information, see page 145.

Our mission
To promote Australian exports and international education, strengthen Australia’s tourism sector, and attract investment into Australia by generating market information and insights, promoting Australian capabilities, making connections through an extensive global network of contacts, leveraging the ‘badge of government’ offshore, working collaboratively with partner organisations, and providing quality advice and services to exporters, education institutions and investors.

Where we work
121 locations at 30 June 2017, including 83 overseas locations in 49 markets, with 15 of those locations also providing consular services on behalf of the Australian Government. Within Australia, Austrade had 10 offices, complemented by a further 28 TradeStart offices. See the network map on pages 6–7.

Extending our reach
Austrade works with other agencies and organisations onshore and offshore to extend our reach into the business community and leverage external resources, knowledge and skills, including agencies within the Foreign Affairs and Trade portfolio and across the Australian Government, state and territory governments, industry associations, business councils, and chambers of commerce.

Our service commitment
Each year, Austrade undertakes satisfaction surveys to assess service delivery and identify areas for improvement in its services to Australian organisations. The surveys are conducted independently and results are available throughout the year.
Achieving our purposes

Austrade’s purposes are listed below, along with some examples of how we achieved them in 2016–17. How we measure our performance is explained in the reporting framework on pages 16–18, with more detailed performance results summarised in Part 2 of this report, starting on page 19.

1 Develop international markets

11,126 general and tailored services provided to 5,082 Australian organisations, helping them access opportunities identified by Austrade and others (see page 55).

Established three Landing Pads in global innovation hotspots overseas, delivering on the Government’s National Innovation and Science Agenda, and taking the total number of Landing Pads to five (see page 88).

2 Promote international education

Worked with other agencies to deliver activities identified in the sector’s long-term market development roadmap, Australian International Education 2025 (see page 94).

91% of Australian education institutions surveyed indicated they achieved some form of commercial outcome as a result of working with Austrade, above the forecast 70 per cent (see pages 25 and 92).

3 Win productive foreign direct investment

Contributed to almost $4.8b in recorded investment value resulting from 92 investment outcomes, helping to increase foreign direct investment in Australia (see page 104).

Contributed to the development of northern Australia, including through the delivery of over $1 million in grants through the Australian Tropical Medicine Commercialisation grants program (see page 111).

4 Strengthen Australia’s tourism industry

 Increased the supply of aviation capacity between Australia and key tourism markets, contributing to the successful negotiation of several new air service arrangements, which removed capacity restrictions for designated airlines operating services to Australia (see page 117).

$103.2b in overnight visitor expenditure, up 6.6 per cent, and continuing to track above the Tourism 2020 lower-bound target of $115 billion (see page 115).

5 Help Australians with consular and passport services

99% of the 16,568 passport applications received were processed within the required timeframe (see page 129).

Provided high-quality and responsive consular support to 822 Australians in difficulty overseas (see page 129).
21 September 2017

The Hon Steven Ciobo MP
Minister for Trade, Tourism and Investment
Parliament House
Canberra ACT 2600

Dear Minister

It is my pleasure to present to you the annual report of the Australian Trade and Investment Commission (Austrade) for the financial year 2016–17.

The report has been prepared pursuant to section 46 of the Public Governance, Performance and Accountability Act 2013 and section 92 of the Australian Trade and Investment Commission Act 1985, and reflects the matters Austrade dealt with and the legislation it administered in pursuing its purposes for the year to 30 June 2017.

I certify I am satisfied Austrade has, in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014:

› prepared appropriate fraud risk assessments and a fraud control plan for 2016–17
› put in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of Austrade
› taken all reasonable measures to appropriately deal with fraud relating to Austrade.

In presenting this annual report, I would like to acknowledge the contribution of my predecessor, Bruce Gosper, who was CEO of Austrade until January 2017, and the contribution made throughout the year by my colleagues in Austrade.

Yours sincerely

Dr Stephanie Fahey
Chief Executive Officer
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### Highlights from 2016–17

#### Continued to deliver value to Australian businesses

**89%**

of all clients surveyed say they were satisfied with Austrade’s services, and 87 per cent say they achieved a commercial outcome within 12 months of working with Austrade (see page 60).

#### Hosted major minister-led business missions

196 delegates attended seven minister-led business missions, including Indonesia Australia Business Week, held in March 2017 (see page 70).

#### Delivered Landing Pads in global innovation hotspots

**100%**

of Landing Pad participants surveyed were satisfied with the Landing Pads program, which is being delivered by Austrade as part of the National Innovation and Science Agenda (see page 88).

#### Continued to develop northern Australia

Over $1 million awarded to 12 projects under the Australian Tropical Medicine Commercialisation grants program (see page 111).

#### Supported the international education and training sector

**2,039**

general and tailored services delivered to Australian education and training providers (see page 96), and Australian International Education 2025 activities delivered across the sector (see page 94).

#### Promoted Australia’s free trade agreements

810 participants attended 21 North Asia free trade agreement seminars across Australia (see page 85).

#### Assisted Australian businesses through the Export Market Development Grants scheme

**3,166**

grant recipients received grants worth $131.4 million in 2016–17 (see page 76).

#### Planned for Austrade’s future

Commenced benchmarking and strengthening initiatives under the banner of ‘Positioning for our Future’ (see page 146).

#### Strengthened Australia’s tourism sector

$122.9b

in total tourism expenditure generated in 2016–17, up 6 per cent (see page 121), with Austrade progressing a number of reforms identified in the Tourism 2020 Implementation Plan (see page 116).
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<td>Chief Executive Officer’s review</td>
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<td>Chief Finance Officer’s review</td>
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About Austrade

The Australian Trade and Investment Commission—Austrade—contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators and governments as they develop international markets and promote international education; win productive foreign direct investment; and strengthen Australia’s tourism industry. Austrade also helps Australian citizens with consular and passport services in certain locations overseas.

Austrade achieves its purposes by generating market information and insight, promoting Australian capabilities, providing policy advice, making connections through an extensive global network of contacts, leveraging the ‘badge of government’ offshore, and providing quality advice and services.

Austrade creates value for the business sector and operates in a way that represents a good investment for the taxpayer, and meets or exceeds all appropriate standards of ethical behaviour.

Austrade’s functions

Promoting Australian trade internationally—Austrade helps Australian companies to grow their business in international markets, including through the administration of the Export Market Development Grants scheme and the TradeStart network.

Promoting Australian education internationally—Austrade promotes the Australian education and training sector in international markets and works with institutions and industry stakeholders to grow demand for Australian education and training.

Attracting foreign direct investment to Australia—Austrade provides coordinated government assistance at a national level to promote, attract and facilitate productive foreign direct investment into Australia.

Strengthening Australia’s tourism industry—Austrade develops policy, manages programs and provides research to support Australia’s tourism industry and to grow Australia’s tourism market share.

Working across government—Austrade delivers advice to the Australian Government on its trade, tourism, international education and training, and investment policy agendas.

Promoting Australia through online channels, media and marketing—Austrade’s objectives are supported by its marketing activities, including management of the nation branding program, Brand Australia, administration of Austrade’s websites and business communications, as well as related market research and major events.

Delivering consular services—Austrade provides Australian consular, passport and other government services in designated overseas locations in support of the Department of Foreign Affairs and Trade’s consular network.

An extensive network

At 30 June 2017, Austrade’s network comprised 121 locations, including 10 offices in major Australian centres, complemented by 28 TradeStart offices, and 83 locations overseas in 49 different markets. Fifteen of the locations overseas also provided consular services in locations where the Department of Foreign Affairs and Trade does not have a presence. In May 2017, consular and passport responsibilities for Bogota, Colombia, transferred to the Department of Foreign Affairs and Trade. During the transition, Austrade continued to provide assistance with the delivery of consular services, and will continue to operate an office there.

During the year, Austrade also established Landing Pads in Shanghai, Berlin and Singapore, adding to the Landing Pads established in
San Francisco and Tel Aviv in 2015–16. Landing Pads are designed to provide market-ready Australian startups with a short-term operational base in global innovation hotspots. For more information on Austrade’s Landing Pads, see page 88. Austrade’s Australian and overseas locations are shown in Figure 2 on pages 6–7.

Legislation

Austrade was established by the *Australian Trade and Investment Commission Act 1985*. It is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*, and a statutory agency under the *Public Service Act 1999*. Austrade is part of the Foreign Affairs and Trade portfolio.

Ministerial responsibility

Austrade’s CEO reports to the Minister for Trade, Tourism and Investment, with the Hon Steven Ciobo MP holding the position for the duration of the reporting year.

In July 2016, the Hon Malcolm Turnbull MP, Prime Minister, announced the appointment of the Hon Keith Pitt MP to the position of Assistant Minister for Trade, Tourism and Investment. Mr Pitt was sworn into the position on 19 July 2016. Up until 19 July 2016, Senator the Hon Richard Colbeck held the position of Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment.

A professional workforce

Austrade has a highly educated, culturally diverse workforce, with a mix of private and public sector experience. A selection of staff profiles highlighting this diversity and experience are featured throughout this report.

At 30 June 2017, Austrade employed 1,095 staff, 70 per cent of whom were employed in client-focused operations in Australia and overseas. For more information on Austrade’s staffing, see page 145.

Financial performance

In 2016–17, Austrade continued to maintain an effective financial management framework and achieved improvements in practices and processes. In the independent auditor’s report, which can be found on pages 170–1, the Australian National Audit Office has provided its opinion that Austrade’s 2016–17 financial statements fairly present the agency’s financial position and financial performance, and are free from material misstatement.

Further analysis of Austrade’s financial position is provided in the Chief Finance Officer’s review on page 12, and in the financial statements in Part 4 of this report.

Maintaining high levels of service

Each year, Austrade undertakes a comprehensive Service Improvement Study to assess service delivery and identify areas for improvement in its services to Australian organisations. The study is conducted independently and results are delivered quarterly.

In 2016–17, the Service Improvement Study found 89 per cent of Austrade’s clients were satisfied with their dealings with the agency during the past 12 months. This result reflects the strong client service culture that exists within Austrade. For more information, see page 60.

Austrade also conducts regular surveys of seminar and minister-led business mission participants to improve service delivery in these areas.
A brief history of Austrade

1985–86
Austrade was established by the *Australian Trade Commission Act 1985*, and several export assistance agencies, including the Export Market Development Grants board, were consolidated into one organisation. Operations commenced in January 1986 and Austrade was located in the Industry portfolio.

1991
Austrade moved from the Industry portfolio to the Foreign Affairs and Trade portfolio. Its head office also moved from Canberra to Sydney.

1996
Austrade was restructured, with its 10 executive general managers reduced to seven.

2001–02
An agreement was negotiated between federal, state and territory governments to cooperate in doubling the number of Australian companies exporting.

2008
Austrade was given responsibility for the promotion and attraction of productive foreign direct investment into Australia.

2010
Austrade was given responsibility for the international promotion of Australia's education and training sector.

2013
Austrade was given responsibility for tourism policy, programs and research.

In May 2016, the *Australian Trade Commission Act 1985* was amended, with the agency’s name changing from the ‘Australian Trade Commission’ to the ‘Australian Trade and Investment Commission’. The agency’s corporate identity, ‘Austrade’, remains unchanged. The same legislation amended the *Export Market Development Grants Act 1997* to give effect to several key recommendations resulting from the 2015 review of the EMDG scheme.

1990
Austrade’s board commissioned McKinsey & Company to review the span of the agency’s activity and structure. As a result, Austrade was restructured to include a group of 10 executive general managers, with six of those positions each directing an overseas region.

1992
Austrade established its National Export Hotline—13 28 78.

1997–98
The Business Club Australia program was launched. Eight TradeStart offices were also opened, extending Austrade's export advisory services to regional Australia. The network has since been expanded and now includes 28 TradeStart offices located around Australia.

2006
From 1 July 2006, Austrade operated under the *Financial Management and Accountability Act 1997* and its board of directors was replaced with an executive management structure. Prior to this, Austrade operated under the *Commonwealth Authorities and Companies Act 1997*.

2011
A comprehensive review of Austrade resulted in a realignment of its network, with trade resources focused on Asian and growth and emerging markets that provided the greatest opportunities for Australian businesses. Austrade’s investment resources were focused on more mature, capital-rich markets.

2015
Austrade was given nomination responsibilities for the Significant Investor Visa and a new Premium Investor Visa, with a new complying investment framework for both coming into effect from July 2015.

2017
Austrade launched ‘Positioning for our Future’, a series of agency benchmarking initiatives designed to provide a baseline to inform priorities and workforce strategies. For more information, see page 146.
Organisational structure

Figure 1: Austrade’s organisational structure at 30 June 2017

Minister for Trade, Tourism and Investment
The Hon Steven Ciobo MP

Chief Executive Officer
Dr Stephanie Fahey

Head of Executive Branch
Lynne Ashpole

Chief Information Officer
Information and Technology Services
Nils van Boxsel

Executive Director International Operations Group
Michael Clifton (acting)

Executive Director Tourism, Investment, Education and Programs Group
Rob Donelly (acting)

Chief Operating Officer Corporate Services
Nick Nichles (acting)

Project Lead CEO Initiatives
Daniel Boyer

Americas, Europe, Middle East and Africa

Asia

Trade

Marketing, Communications and FTA Program

International Issues

Tourism

Investment

International Education, Government and Programs

Export Market Development Grants

Human Resources

Security, Consular and Property

Legal, Procurement and Fraud

Finance

Note: Austrade’s Executive Group and management committees are detailed on pages 132–8.
Austrade’s network

Figure 2: Austrade’s Australian and overseas locations at 30 June 2017

121 locations worldwide

10 locations in Australia

28 TradeStart locations

- Austrade presence overseas
- Austrade presence overseas where the agency also provides consular services
- Austrade Landing Pad
- Austrade office in Australia

Note: TradeStart locations are detailed in Appendix A.
Agency overview

Austrade’s network

83 locations overseas
15 providing consular services

Landing Pads in global innovation hotspots

5 locations in Australia
28 TradeStart locations

Figure 2: Austrade’s Australian and overseas locations at 30 June 2017
Chief Executive Officer’s review

Dr Stephanie Fahey, Chief Executive Officer, Austrade

Year in review

It gives me great pleasure to present my first annual report as Chief Executive Officer of the Australian Trade and Investment Commission. I’d like to acknowledge the enormous contribution of my predecessor, Bruce Gosper, to Austrade’s success over his term as CEO.

As an internationally and commercially focused agency, the major impact on Austrade’s operating environment is the rapid pace of geopolitical and technological change, which is creating new challenges—but also new opportunities—for Australian export businesses and for foreign entities looking to invest in Australia.

The pace of change, and the need to continue to drive efficiencies, also reinforces the importance of effective collaboration with Austrade’s valued government and non-government partners, including the states and territories, industry groups and the broader business community. In collaboration with these groups, we put clients at the centre of everything we do and focus on their complete export or investment journey to help facilitate a smooth transition between service providers.

Austrade supports Australian exporters and international investors through its global network, commercial connections, and expert market-specific advice. To continue to thrive, we need to ensure we are providing value-adding services and advice, and working with agility, creativity and innovation to meet the rapidly changing needs of exporters and investors.

**We commenced benchmarking and strengthening initiatives**

Austrade is recognised for its expertise, flexibility and capacity to adapt and respond to change. Under the banner of ‘Positioning for our Future’, in March 2017, I announced three projects to build on that reputation and ensure over the next five years we remain relevant and add value to current and future investors, clients, customers, and other stakeholders.

The three projects included Austrade’s first Pulse Survey, held in April 2017, which gave staff the opportunity to provide feedback on what they thought Austrade was doing right, as well as areas where we could improve. The survey will be held biannually.

Austrade will shortly launch our inaugural Ideas Challenge, which will provide a mechanism to capture ideas from across the organisation to help us creatively leverage the opportunities presented by global trends and to embed innovation as part of business-as-usual practices.

Austrade also commenced an Organisational Capability Assessment, in partnership with the Australian Public Service Commission, which will provide an independent view on our organisational strengths, as well as areas for development, taking into consideration our future operating environment. An update of Austrade’s strategy, making it more forward looking and providing strategic goals for the next five years, will complement the Organisational Capability Assessment.

**We opened more Landing Pads in global innovation hotspots**

As part of the Government’s National Innovation and Science Agenda, Austrade established three Landing Pads this year in Shanghai, Berlin and Singapore, complementing the two Landing Pads
established in 2015–16 in San Francisco and Tel Aviv. In each location, the Landing Pad is situated within an established co-working space overseen by a manager from the local startup ecosystem who, along with other Austrade staff across the network, works together with the startup to ensure they get access to customers. With the first participant cohorts commencing in the Singapore and Shanghai Landing Pads in early 2017, initial feedback has been very positive and commercial outcomes are anticipated.

We continued to promote the benefits of free trade
Austrade’s delivery of its free trade agreements program continued in 2016–17, with a new emphasis on strategic engagement with specific sectors, tailored training, and third-party outreach to partners along the export value chain to increase business use of the agreements. TradeStart has been integral to supporting the seminar series, as well as supporting further outreach activities in regional Australia. As part of the program, Austrade has also focused on establishing a network of Australian exporters to mentor and support each other through the process.

We developed a foreign direct investment narrative
Austrade worked with the Department of Foreign Affairs and Trade, the Treasury, and state and territory governments to develop a whole-of-government narrative and toolkit to demonstrate how foreign direct investment adds to the prosperity of all Australians.

We promoted investment opportunities in northern Australia
Austrade appointed a senior officer to oversee the northern Australia investment program, and continued to refine and grow the northern Australia land tenure map, an ambitious investor-friendly guide to the north, which draws on big data, and has been developed with CSIRO and the Western Australian, Northern Territory and Queensland governments. Planning for the next Northern Australia Investment Forum, to be held in late 2017, is also underway.

We implemented the Australian International Education 2025 roadmap
Austrade, in partnership with the international education sector, continued implementing Australian International Education 2025, a long-term plan for the development of international education markets. Areas of activity during 2016–17 included encouraging collaboration in edtech, sharpening market focus using the Market Information Package, maintaining an Australian edge by promoting Australian education opportunities internationally, competing at scale, embracing borderless learning, unleashing technology and attracting global capital.

We strengthened Australia’s tourism sector
For the second year in a row, tourism growth has exceeded the national rate of economic growth, which is a significant achievement. Through the Tourism 2020 Implementation Plan (2015–2020), Austrade progressed a number of reform areas during 2016–17, and also started planning for the
next phase of the tourism strategy beyond 2020. Activities throughout the year continued to focus on strengthening the relationship with China, Australia’s most valuable inbound tourism market, through the China–Australia Year of Tourism 2017, and the open skies agreement to increase inbound tourism.

We supported businesses through the Export Market Development Grants scheme
Austrade continued to administer the Export Market Development Grants scheme to support small to medium-sized Australian businesses increase their international marketing and promotion expenditure to achieve more sustainable international sales. The scheme supports eligible applicants across all business models and industries. More than 3,100 grants worth $131.4 million were paid to recipients in 2016–17.

We provided consular services to Australians in locations across the world
At 30 June 2017, Austrade delivered timely consular and passport services to Australians in 15 overseas locations, extending Australia’s consular network. Austrade provided high-quality and responsive consular support to 822 Australians in difficulty overseas. This included assistance to 60 people imprisoned overseas, 117 people requiring medical assistance or hospitalisation, and support to the families of 120 people who died overseas. Our consular staff processed 16,568 passport applications and undertook 7,996 notarial acts.

We extended our global and Australian presence
In September 2016, Austrade reopened its office in Tehran, Iran, to help Australian businesses navigate the Iranian market. In the same month, Austrade also opened an office in Makassar, Indonesia, recognising the exciting prospects the city and region hold for the Australia–Indonesia relationship. With support from Trade & Investment Queensland, Austrade opened another TradeStart office in Bundaberg, and reopened the Geelong office with support from Regional Development Victoria, broadening our reach and bringing the total number of TradeStart offices around Australia to 28.

We brought a commercial voice to the foreign policy white paper
Austrade contributed to the development of a new foreign policy white paper, led by the Department of Foreign Affairs and Trade, which will provide a roadmap for advancing and protecting Australia’s interests in a dynamic, complex and unpredictable international environment.

We developed risk engagement strategies
During 2016–17, Austrade developed a revised and more nuanced risk appetite statement, which will be used as a tool to assist in decision-making. The ability to recognise and manage risk in a positive way to take advantage of opportunities is an important component of Austrade’s organisational capability. The risk appetite statement forms part of Austrade’s overall risk management framework and is considered together with organisational objectives, risk policies and the risk matrix.

We developed and supported our workforce
Austrade continued to attract talented people from the private and public sectors who have a passion for international trade and investment, and a commitment to drive growth and prosperity in the Australian economy. We supported a diverse workforce and developed our staff through short-term overseas assignments, scholarships, programs to build cross-cultural awareness and language capabilities, as well as by extending our e-learning catalogue, women’s mentoring, disability employment and Indigenous programs.
Outlook for 2017–18

‘Positioning for our Future’ initiatives will continue into 2017–18. At all stages of the process, staff will be engaged in how to improve what we do and how it’s done. Collectively, these initiatives will sharpen Austrade’s strategic direction, give us a forward-looking focus and shape our activities to ensure we continue to deliver value for Australia. On top of the Pulse Survey, Ideas Challenge and Organisational Capability Assessment, and their outcomes, Austrade will also pursue a number of other priorities.

We will place our clients at the centre of everything we do
The challenging global economic environment is putting pressure on our clients, customers, investors and stakeholders. We are re-examining how we deliver our services and work with our partners, including whether we are taking full advantage of new technologies. Over the coming year, we will start to look for opportunities to intensify our use of big data and data analytics to improve the delivery of services to clients, expand our reach and deepen our impact, and strengthen our internal decision-making.

We will continue to have a regional focus
The Australian Government is driving growth in regional Australia by promoting foreign direct investment that is in the national interest and contributes to growth and productivity. Australia has a comparative advantage in agribusiness, and resources and energy, all largely based in regional areas. In northern Australia, the portfolio is working to attract investment through ‘gateway’ infrastructure projects that will link Australia’s north with the Indo-Pacific region, improving our ability to trade and access international markets. To reinforce Austrade’s commitment to regional Australia, we will conduct a tender process in 2017–18 to select our partners to deliver our TradeStart network throughout Australia. TradeStart will continue to support regional and rural exporters with the combined resources of Austrade, state and territory and local governments, industry associations and chambers of commerce, to achieve long-term success in international markets.

We will reduce duplication
Austrade recognises it operates in a difficult economic environment, and is working to reduce duplication of services by intensifying our cooperation with other branches of the Australian Government, our counterparts in the states and territories, and our stakeholders in industry. We will continuously examine where we deploy resources so we can take best advantage of emerging opportunities to collaborate, co-design and work in partnership.

We will support foreign investment in critical infrastructure
Austrade will work closely with the new Critical Infrastructure Centre to support foreign investment in critical infrastructure and to provide continued clarity and certainty to investors. Austrade will promote best practice examples of Australian infrastructure capabilities to decision-makers and influencers in overseas markets, including those relating to smart and resilient cities, urban liveability and transport connectivity.

In closing, I acknowledge and thank Austrade’s capable, talented and passionate staff for the hard work they do in ensuring Austrade supports Australian business and investors, and contributes to Australia’s economic success. I look forward to the coming year.

Dr Stephanie Fahey
Chief Executive Officer
Chief Finance Officer’s review

Robert O’Meara, Chief Finance Officer, Austrade

Year in review

Austrade’s financial management framework remained effective throughout the year. To further strengthen the framework, Austrade streamlined numerous controls and processes to reduce the administrative burden across the organisation and on external parties.

In 2016–17, the Government provided Austrade with $194.8 million in funding for ordinary annual services. Revenue from the Government decreased by $20.5 million compared to 2015–16. This decrease was primarily due to the completion of free trade agreement promotion measures announced in the 2015–16 Budget (a reduction of $16.6 million in 2016–17), and a $3.2 million reduction in appropriation for foreign exchange gains arising from the strengthening Australian dollar under the Government’s ‘no win, no loss’ provisions.

In addition, Austrade received $27.8 million in revenue from external sources, down $0.1 million from 2015–16, primarily associated with cost recovery from the provision of services to other government agencies. Expenditure was lower this year in line with Government decisions and foreign exchange movements. Austrade also received $14.6 million to fund capital expenditure.

Figure 3 on the next page summarises Austrade’s financial performance over the last four years, and Figure 4 on page 14 summarises Austrade’s financial position for 2016–17.

Austrade’s financial statements for 2016–17 are provided in Part 4 of this report, and Austrade’s financial and staffing resource tables are provided in Appendix D.

Outlook for 2017–18

The challenging fiscal outlook is set to continue for Austrade across the next few years. Following the $24 million budget savings associated with the Foreign Affairs and Trade portfolio efficiencies, a higher-than-standard efficiency dividend sees Austrade contributing further budget savings of $20 million over 2016–17 and the forward estimates.

Austrade will ensure these savings are achieved while striving to maintain the level of service it provides to its clients and other stakeholders, and will continue to achieve its outcomes within its reduced base funding envelope.

Robert O’Meara
Chief Finance Officer
Financial performance in 2016–17

Figure 3: Austrade’s financial performance, 2016–17, including 2013–14 to 2016–17 trend information

$2.5 million surplus excluding depreciation
1.2% variance to budget

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<tr>
<td>Appropriations</td>
<td>$194.8m</td>
<td>▼ 9.5%</td>
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<tr>
<td>Own-source revenue</td>
<td>$27.8m</td>
<td>▼ 0.5%</td>
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<tr>
<td>Gains</td>
<td>$0.9m</td>
<td>▲ 75.6%</td>
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<td>Employees</td>
<td>$142.7m</td>
<td>▲ 0.4%</td>
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<td>Suppliers</td>
<td>$77.6m</td>
<td>▼ 22.4%</td>
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<td>Depreciation</td>
<td>$18.6m</td>
<td>▲ 4.3%</td>
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<tr>
<td>Other</td>
<td>$1.3m</td>
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</tbody>
</table>

Note: Figures have been rounded. Comparative percentage movements are in relation to the 2015–16 financial year. An increase in dollar value is shown as a positive percentage movement (upward arrow) and a decrease in dollar value is shown as a negative percentage movement (downward arrow).
### Figure 4: Austrade’s financial position, 2016–17

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$5.4m</td>
<td>▶ 8.5%</td>
</tr>
<tr>
<td>Receivables</td>
<td>$55.4m</td>
<td>▶ 8.7%</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td>$58.8m</td>
<td>▼ 6.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>$17.8m</td>
<td>▶ 9.4%</td>
</tr>
<tr>
<td>Employee provisions</td>
<td>$34.7m</td>
<td>▼ 2.9%</td>
</tr>
<tr>
<td>Other</td>
<td>$0.1m</td>
<td>▼ 78.9%</td>
</tr>
</tbody>
</table>

$67 million net assets ▼ 0.2%

$119.6 million ▶ 0.1%

$52.6 million ▶ 0.5%

Note: Figures have been rounded. Comparative percentage movements are in relation to the 2015–16 financial year. An increase in dollar value is shown as a positive percentage movement (upward arrow) and a decrease in dollar value is shown as a negative percentage movement (downward arrow).
PART 2

Report on performance

Reporting framework
Australian Trade and Investment Commission annual performance statement

Purpose 1: Develop international markets
Program 1.1
Austrade’s international network
Promoting Australian trade internationally
How Austrade works with Australian businesses
Promoting Australia through online channels, media and marketing
Working across government and with partners
Program 1.2
Export Market Development Grants scheme
Promotion of Australia’s free trade agreements
Asian Business Engagement Plan
National Innovation and Science Agenda—Global Innovation Strategy

Purpose 2: Promote international education
Program 1.1
Promoting Australian education and training internationally

Purpose 3: Win productive foreign direct investment
Program 1.1
Attracting productive foreign direct investment to Australia
Program 1.2
Developing northern Australia

Purpose 4: Strengthen Australia’s tourism industry
Program 1.1
Strengthening Australia’s tourism industry
Program 1.2
Tourism Demand-Driver Infrastructure program
Queensland Tourism Tropical Cyclone Debbie Recovery Package
Tasmanian Tourism Growth Package

Purpose 5: Help Australians with consular and passport services
Program 2.1
Austrade-managed consulates
Reporting framework

Austrade operates under the Australian Government’s outcomes and programs framework. Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community, and government programs are the primary means by which agencies achieve their intended outcomes.

Corporate plan

Austrade’s 2016–17 corporate plan, which was approved by the Minister for Trade, Tourism and Investment, covers the four-year period from 2016–17 to 2019–20, and is Austrade’s primary planning document. Austrade has identified five purposes as part of its 2016–17 corporate plan (Figure 5). Each purpose is associated with a set of performance measures and can be linked to Austrade’s outcomes and programs in the Portfolio Budget Statements (Figure 6).

Figure 5: Austrade’s purposes for 2016–17

<table>
<thead>
<tr>
<th>Purpose</th>
<th>1 Develop international markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>2 Promote international education</td>
</tr>
<tr>
<td>Purpose</td>
<td>3 Win productive foreign direct investment</td>
</tr>
<tr>
<td>Purpose</td>
<td>4 Strengthen Australia’s tourism industry</td>
</tr>
<tr>
<td>Purpose</td>
<td>5 Help Australians with consular and passport services</td>
</tr>
</tbody>
</table>

Portfolio Budget Statements

The 2016–17 Portfolio Budget Statements for the Foreign Affairs and Trade portfolio identify the outcomes, associated programs and key performance indicators the Government uses to assess Austrade’s performance. In 2016–17, Austrade had two outcomes that were achieved through three specific programs (Figure 6).
Annual performance statement

Austrade’s annual performance statement, which starts on page 19, shows Austrade’s achievements in 2016–17 against its purposes from its 2016–17 corporate plan and its key performance indicators set out in its 2016–17 Portfolio Budget Statements. Austrade’s annual performance statement, and additional performance reporting information, have been developed in accordance with guidelines provided by the Department of Finance. Due to the significance of the corporate plan in the overall planning framework, the annual performance statement has been structured to address each of the corporate plan’s purposes, as has the remainder of the performance reporting section.

How Austrade’s corporate plan, Portfolio Budget Statements and annual performance statement interrelate

The annual performance statement clearly links performance criteria with the relevant source document—the corporate plan, the Portfolio Budget Statements, or both. The high degree of overlap between the measures in the 2016–17 corporate plan and the 2016–17 Portfolio Budget Statements means many of the measures are derived from both documents. Figure 7 on the next page sets out the relationship between reporting measures outlined in Austrade’s corporate plan, Portfolio Budget Statements and annual performance statement for 2016–17.

Further detail on Austrade’s achievements against its performance measures follows the annual performance statement, using a combination of methods, including charts, tables, narrative discussion and case studies. The annual performance statement includes page references to relevant supplementary information for ease of navigation.
Figure 7: The relationship between Austrade’s Portfolio Budget Statements, corporate plan and annual performance statement

Outcome 1
Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government

Program 1.1
Promotion of Australia’s export and other international economic interests

Program 1.2
Programs to promote Australia’s export and other international economic interests

Program 2.1
Consular and passport services

Outcome 2
The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas

Purpose 1
Develop international markets

Purpose 2
Promote international education

Purpose 3
Win productive foreign direct investment

Purpose 4
Strengthen Australia’s tourism industry

Purpose 5
Help Australians with consular and passport services

Annual performance statement (annual report)
Report against performance criteria (page 20)
Report against performance criteria (page 25)
Report against performance criteria (page 26)
Report against performance criteria (page 30)
Report against performance criteria (page 33)
Australian Trade and Investment Commission annual performance statement

I, Stephanie Fahey, as the accountable authority of the Australian Trade and Investment Commission, present the agency’s 2016–17 annual performance statement, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). In my opinion, based on advice from Austrade management and the agency’s Audit and Risk Committee, Austrade’s annual performance statement accurately reflects the performance of the agency, and complies with subsection 39(2) of the PGPA Act.

Dr Stephanie Fahey
Chief Executive Officer

Approach

The performance criteria Austrade reports against are contained in both its 2016–17 corporate plan and the 2016–17 Portfolio Budget Statements (PBS). The relationship between the corporate plan, PBS and annual performance statement is shown in Figure 7 on page 18.

The performance criteria in this annual performance statement have been organised according to the five purposes set out in Austrade’s corporate plan:

**Purpose 1:** Develop international markets (Tables 1 and 2)

**Purpose 2:** Promote international education (Table 3)

**Purpose 3:** Win productive foreign direct investment (Tables 4 and 5)

**Purpose 4:** Strengthen Australia’s tourism industry (Tables 6 and 7)

**Purpose 5:** Help Australians with consular and passport services (Table 8).

A symbol appears against each criterion in the statement to show the extent to which Austrade has met its performance forecasts for 2016–17. Where there is no specific forecast for a criterion, the symbol has been replaced with text stating whether the criterion was met or not. Performance forecasts appeared in Austrade’s 2016–17 PBS, and some 2016–17 forecasts were revised in the 2017–18 PBS. Where 2016–17 forecasts changed in the 2017–18 PBS, this has been explained in the analysis section for each purpose.
Purpose 1: Develop international markets

Table 1: Performance criteria and results for Purpose 1, Program 1.1

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 1</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 1.1: Promotion of Australia’s export and other international economic interests</td>
<td></td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
</tr>
<tr>
<td>High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade’s services</td>
<td></td>
</tr>
<tr>
<td>Source of criterion: 2016–17 PBS, Program 1.1</td>
<td></td>
</tr>
</tbody>
</table>

Austrade conducts its independent Service Improvement Study to assess the agency’s service delivery and to identify areas of improvement in its services to businesses and institutions. This study surveys Austrade’s clients, based on their recent engagement with the agency.

In 2016–17, the Service Improvement Study found 89 per cent of Austrade’s clients (trade and education) were satisfied with their dealings with the agency during the past 12 months. This result compares well with the 2015–16 figure of 87 per cent, and 89 per cent in 2014–15, and is above the forecast of 70 per cent set out in the 2016–17 PBS. These sustained high levels of satisfaction demonstrate the strong client service culture that exists within Austrade, reinforced by the fact 87 per cent of all respondents reported achieving a commercial outcome within 12 months of working with Austrade (compared to 71 per cent in 2015–16). The survey also showed 80 per cent of clients rated Austrade’s paid services as representing good value for money. With the 2015–16 figure of 82 per cent, and the 2014–15 figure of 80 per cent, this also shows high standards have been maintained.

During 2016–17, Austrade coordinated seven minister-led business missions, which included a significant Australia Week promotion in Indonesia in March 2017. This brings the total number of minister-led business missions organised by Austrade since March 2014 to 35. Mission participants also provided positive feedback—all respondents who participated in Indonesia Australia Business Week (IABW) said it had delivered an advantage to their organisation, and 79 per cent said they expect to return to Indonesia to follow up on opportunities identified during IABW in the next 12 months. Ninety-nine per cent rated Austrade’s performance around the mission as either extremely good, very good or good. The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, also indicated a high level of satisfaction with Austrade’s comprehensive minister-led business missions program.

The sustained high levels of satisfaction with Austrade—both generally and on business missions—demonstrate its success at achieving this criterion.
Performance criteria and results: Purpose 1 (continued)
Program 1.1: Promotion of Australia’s export and other international economic interests

Develop international markets

Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities

<table>
<thead>
<tr>
<th>Source of criterion:</th>
<th>2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 2)</th>
</tr>
</thead>
</table>

**Result**

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
</tr>
<tr>
<td>70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forecast</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>76</td>
</tr>
</tbody>
</table>

In 2016–17, Austrade’s Service Improvement Study found 76 per cent of Australian businesses (trade only) indicated Austrade made a positive contribution to their international business activities, slightly above the 2015–16 figure of 75 per cent, but lower than the 2014–15 figure of 78 per cent. Austrade provides information and advice on export markets and helps its clients navigate complexities in international business. The sustained high levels recorded for this measure are above the forecast of 70 per cent set out in the 2016–17 PBS and demonstrate Austrade’s services are relevant to its clients.

Proportion of Australian businesses which have engaged with Austrade and say they achieved some form of commercial outcome as a result of working with Austrade

<table>
<thead>
<tr>
<th>Source of criterion:</th>
<th>2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 2)</th>
</tr>
</thead>
</table>

**Result**

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
</tr>
<tr>
<td>70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forecast</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>85</td>
</tr>
</tbody>
</table>

In 2016–17, Austrade’s Service Improvement Study found 85 per cent of Australian businesses (trade only) indicated they achieved some form of commercial outcome within 12 months of working with Austrade, compared to 68 per cent in 2015–16 and 75 per cent in 2014–15. A key role for Austrade is connecting Australian business to international buyers, partners and agents. The sustained high levels recorded for this measure demonstrate Austrade’s success in helping its clients do business overseas. The outcome is above the forecast of 70 per cent set out in the 2016–17 PBS.

Note: The samples referenced in the survey results in the criteria above exclude education clients. For survey results for education clients, see Purpose 2, page 25.
### Performance criteria and results: Purpose 1 (continued)

**Program 1.1: Promotion of Australia’s export and other international economic interests**

#### Whole-of-government

<table>
<thead>
<tr>
<th>Effective contribution to whole-of-government policy development using Austrade’s commercial perspectives on export, investment, international education and tourism</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of criterion:</strong> 2016–17 PBS, Program 1.1</td>
<td><strong>Criterion met</strong></td>
</tr>
</tbody>
</table>

Austrade uses the intelligence and insights gained from its global network and interactions with investors, exporters and international businesses to inform and contribute to Australian Government policymaking. Austrade also works across government to provide input into domestic reforms designed to contribute to the Australian tourism industry and education sector being more competitive.

Austrade provides advice to government directly through the Minister for Trade, Tourism and Investment, and through officials-level forums with a range of Australian Government and state and territory government departments with an interest in trade, tourism, investment and international education.

During 2016–17, Austrade contributed to new government policy initiatives, including the Australian Government’s National Innovation and Science Agenda. It assisted Innovation and Science Australia in the development of its 2030 Strategic Plan for Australia’s innovation, science and research system, and contributed to the development of the Government’s foreign policy white paper.

Austrade provided advice to the Department of Immigration and Border Protection as part of its review of visa policy settings in relation to the competitiveness of Australia’s tourism and education sectors and the attraction of high-value foreign direct investment, including through the investor visa frameworks. Austrade also worked closely with the Department of Immigration and Border Protection and the Australian Bureau of Statistics on the removal of outbound passenger cards, which will no longer be required from 1 July 2017.

The Foreign Investment Review Board consults with Austrade on proposed foreign investment transactions. Austrade worked closely with the Department of Foreign Affairs and Trade, the Treasury, the Attorney-General’s Department, the Department of Immigration and Border Protection, and other federal, state and territory government agencies, on matters affecting investment attractiveness.

Austrade’s effective contribution to policy development demonstrates its success at achieving this criterion.
Table 2: Performance criteria and results for Purpose 1, Program 1.2

**Export Market Development Grants (EMDG) scheme**

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 1 Program 1.2: Programs to promote Australia’s export and other international economic interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of EMDG scheme recipients reporting the receipt of a grant supported their business to become a more sustainable exporter</td>
</tr>
<tr>
<td><strong>Source of criterion:</strong> 2016–17 PBS, Program 1.2; 2016–17 corporate plan (Table 2)</td>
</tr>
<tr>
<td><strong>Result</strong></td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td><strong>Forecast</strong></td>
</tr>
</tbody>
</table>

During 2016–17, 95 per cent of respondents reported the receipt of a grant enabled their business to become a more sustainable exporter. This compares to 96 per cent of respondents in 2015–16. The continued high level of satisfaction is evidence of the success of the scheme. The outcome is above the forecast of 90 per cent set out in the 2016–17 PBS, showing this criterion has been achieved.

| Proportion of EMDG scheme recipients reporting the receipt of a grant enabled them to grow their international revenue |
| **Source of criterion:** 2016–17 PBS, Program 1.2; 2016–17 corporate plan (Table 2) |
| **Result** |
| % | 75 | 54 |
| **Forecast** | Actual |

During 2016–17, 54 per cent of respondents reported the receipt of a grant enabled them to grow their international revenue. This compares to 55 per cent of respondents in 2015–16. The outcome is below the forecast of 75 per cent set out in the 2016–17 PBS, but above the revised 2016–17 forecast of 50 per cent as set out in the 2017–18 PBS.

**Free trade agreement (FTA) promotion**

| Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs |
| **Source of criterion:** 2016–17 PBS, Program 1.2; 2016–17 corporate plan (Table 2) |
| **Result** |
| % | 90 | 94 |
| **Forecast** | Actual |

In 2016–17, 810 business representatives attended 21 North Asia FTA seminars. Participant surveys identified 94 per cent of respondents reported an increase in awareness of North Asia FTAs. This compares to 92 per cent in 2015–16. The high levels of increased awareness demonstrate Austrade’s success at achieving this criterion, with both survey results above the 90 per cent forecast in the 2016–17 PBS.

| Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs |
| **Source of criterion:** 2016–17 PBS, Program 1.2; 2016–17 corporate plan (Table 2) |
| **Result** |
| % | 85 | 90 |
| **Forecast** | Actual |

In 2016–17, 90 per cent of respondents to seminar participant surveys reported an increase in understanding of how to use and benefit from North Asia FTAs as a result of attending the North Asia FTA seminars, compared to 89 per cent in 2015–16. The high level of increased understanding demonstrates Austrade’s success at achieving this criterion, and is above the 85 per cent forecast in the 2016–17 PBS.
Performance criteria and results: Purpose 1 (continued)
Program 1.2: Programs to promote Australia’s export and other international economic interests

National Innovation and Science Agenda—Global Innovation Strategy

Establishment of Landing Pads in global innovation hotspots

<table>
<thead>
<tr>
<th>Source of criterion: 2016–17 PBS, Program 1.2</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landing Pads have been established in San Francisco, Tel Aviv, Shanghai, Berlin and Singapore. Landing Pad managers are in place and Australian startups are in residency in all locations. The establishment of all five Landing Pads by 30 June 2017 shows this criterion has been met, and is in line with the forecast set out in the 2016–17 PBS.</td>
<td></td>
</tr>
<tr>
<td>Criterion met</td>
<td></td>
</tr>
</tbody>
</table>

Analysis of Purpose 1

Austrade has met or exceeded the forecasts set out in the 2016–17 PBS for most criteria, and has therefore achieved Purpose 1. The results of Austrade’s Service Improvement Study have been sustained at a high level over three years. Austrade’s clients surveyed (trade and education) continue to value its services, with 89 per cent satisfied with their dealings with the agency during the last 12 months. Austrade’s clients surveyed (trade and education) also reported Austrade made positive contributions to their international business activities, with 87 per cent reporting they achieved a commercial outcome within 12 months of working with Austrade, up from 71 per cent the previous year.

The ability to make strong connections with state and territory governments, industry associations and other allies is imperative for Australia to be successful on the global stage. Austrade’s deep engagement with stakeholders throughout the year delivered greater coordination and cooperation where interests aligned, and helped the Australian Government to better understand Australian industry appetite, capacity and capability for international trade, including in emerging sectors.

The Export Market Development Grants (EMDG) scheme survey found recipients’ level of engagement with the scheme was positive, with 93 per cent of respondents rating their engagement with the scheme as either good, very good or extremely good. Ninety-five per cent of respondents indicated the scheme enabled their organisation to become a more sustainable exporter, including through helping them expand into international markets, grow their international revenue, establish an international presence, or reinvest in their business activities. The survey results found 54 per cent of total EMDG recipients reported the grant enabled their organisation to grow their international revenue. This outcome is below the 75 per cent forecast in the 2016–17 PBS. However, first- and second-year recipients are not required to generate export income. This cohort has been boosted by particularly high first-time grant recipients in each of the last two years, but has resulted in lower percentages reporting growth in international revenue. For this reason, the 2016–17 forecast was adjusted to 50 per cent in the 2017–18 PBS.

The delivery of 21 North Asia Free Trade Agreement (FTA) seminars by Austrade in 2016–17, to an audience of over 800 business representatives, was an important part of Austrade’s FTA promotion strategy. It helped businesses better understand the benefits of Australia’s FTAs with Korea, Japan
and China, with 94 per cent reporting an increase in awareness of North Asia FTAs. Among seminar attendees who claimed their awareness of the North Asia FTAs increased, more than 90 per cent said their seminar objectives were all or mostly met. The forecast of attendees reporting increased understanding of how to use and benefit from the FTAs was raised from 85 per cent in the 2016–17 PBS to 90 per cent (for 2016–17) in the 2017–18 PBS on the basis of enhancements to the program’s content. These results reinforce the value of the seminars’ key objectives—to increase awareness and knowledge of the North Asia FTAs.

In 2016–17, a survey of Landing Pad participants indicated 100 per cent expect to achieve some form of commercial outcome as a result of participating in the Landing Pads program, and 94 per cent rated the contribution Austrade made to their international business activities as either positive, significant or critical.

### Purpose 2: Promote international education

**Table 3:** Performance criteria and results for Purpose 2, Program 1.1

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 2 Program 1.1: Promotion of Australia’s export and other international economic interests</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote international education</strong></td>
<td></td>
</tr>
<tr>
<td>Proportion of Australian education institutions which have engaged with Austrade and say Austrade made a positive contribution to their international business activities</td>
<td><strong>Source of criterion:</strong> 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 4)</td>
</tr>
<tr>
<td></td>
<td><strong>Forecast</strong> 70</td>
</tr>
<tr>
<td>In 2016–17, a follow-up survey to Austrade’s Service Improvement Study found 81 per cent of Australian education institutions indicated Austrade made a positive contribution to their international business activities, compared to 81 per cent in 2015–16, and 88 per cent in 2014–15. Austrade directly supports the sector through regular market intelligence and opportunities, as well as international events and promotions. The sustained high level of satisfaction demonstrates Austrade’s success at achieving this purpose, and is above the forecast of 70 per cent set out in the 2016–17 PBS.</td>
<td></td>
</tr>
<tr>
<td>Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade</td>
<td><strong>Source of criterion:</strong> 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 4)</td>
</tr>
<tr>
<td></td>
<td><strong>Forecast</strong> 70</td>
</tr>
</tbody>
</table>
| In 2016–17, a follow-up survey to Austrade’s Service Improvement Study found 91 per cent of Australian education institutions indicated they achieved some form of commercial outcome within 12 months of working with Austrade, compared to 82 per cent in 2015–16 and 87 per cent in 2014–15. Commercial outcomes range from enrolments of international students through to forming international partnerships. This high level of commercial outcomes demonstrates Austrade’s success at achieving this purpose, and is above the forecast of 70 per cent set out in the 2016–17 PBS.
Analysis of Purpose 2

The sustained high levels of satisfaction among Austrade’s education clients demonstrate Austrade’s success at achieving its purpose of promoting international education. In particular, the survey results show Austrade’s activities directly contributed to clients’ international business activities and allowed them to achieve commercial outcomes. This is evidence of the impact of Austrade’s work in promoting international education.

International education activity in 2016 contributed $22.4 billion to the economy, a 17 per cent increase on earnings recorded in 2015. Australian International Education 2025 is a long-term market development roadmap, developed together with the sector to enable long-term sustainable growth, and 2016–17 was its first full year of operation. Austrade led work to enhance national coordination in marketing and promotion, including convening the International Education Marketing Forum with states and territories. Austrade also explored barriers to consortium formation to pursue global opportunities, improved the quality and consistency of market insights and opportunities for clients, and commenced development of a strategic messaging framework. The foundations for two market action plans have also been laid to focus efforts to enhance coordination and collaboration, and a review of Australia’s online channels commenced to better support students and providers.

The data used for assessing Austrade’s performance in this sector are derived from a follow-up survey to the Service Improvement Study. The sustained levels of satisfaction across three years, coupled with the increase in economic contribution from international education, point to Austrade’s success at achieving its purpose in promoting international education.

Purpose 3: Win productive foreign direct investment

Table 4: Performance criteria and results for Purpose 3, Program 1.1

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 3 Program 1.1: Promotion of Australia’s export and other international economic interests</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Win productive foreign direct investment (FDI) Austrade has a shared set of key performance indicators with the states and territories:</td>
<td></td>
</tr>
<tr>
<td>The number of investment outcomes facilitated</td>
<td>Source of criterion: 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)</td>
</tr>
<tr>
<td></td>
<td><img src="chart.png" alt="Chart" /></td>
</tr>
</tbody>
</table>

In 2016–17, Austrade facilitated 92 investment outcomes. This represented an increase of almost 14 per cent from 2015–16, when there were 81 inward investments—the same number as in 2014–15. The sustained level of investment outcomes demonstrates Austrade’s contribution in achieving this criterion, and is above the 50 outcomes forecast in the 2016–17 PBS.
Performance criteria and results: Purpose 3 (continued)
Program 1.1: Promotion of Australia’s export and other international economic interests

The amount of investment value associated with foreign direct investment outcomes facilitated\(^{(a)}\)

**Source of criterion:** 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)

<table>
<thead>
<tr>
<th>Result</th>
<th>Source of criterion: 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2b</td>
<td>$4.8b</td>
</tr>
</tbody>
</table>

Total recorded investment value for 2016–17 was almost $4.8 billion, a 49 per cent increase on the 2015–16 figure of $3.2 billion. This year’s result was boosted by several major infrastructure and resources and energy projects. The timing of large projects can have a major impact on the final outcome for the year in which investment value is recorded. With high levels of investment value recorded over 2016–17, this underlines Austrade’s contribution in achieving this criterion. The total recorded investment value for 2016–17 is above the $2 billion forecast in the 2016–17 PBS.

The number of new jobs created/retained (ongoing full-time equivalent) as a direct result of investment outcomes facilitated\(^{(a)}\)

**Source of criterion:** 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)

<table>
<thead>
<tr>
<th>Result</th>
<th>Source of criterion: 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>3,738</td>
</tr>
</tbody>
</table>

In 2016–17, there were an estimated 3,738 jobs created or retained as a result of investment outcomes facilitated. This represented an increase of 102 per cent on the 2015–16 jobs figure of 1,853. The outcome for 2016–17 is above the 500 forecast in the 2016–17 PBS, showing Austrade’s contribution in achieving this criterion.

The anticipated annual exports from investment outcomes facilitated\(^{(a)}\)

**Source of criterion:** 2016–17 corporate plan (Table 3)

<table>
<thead>
<tr>
<th>Result</th>
<th>Source of criterion: 2016–17 corporate plan (Table 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion met</td>
<td></td>
</tr>
</tbody>
</table>
Performance criteria and results: Purpose 3 (continued)
Program 1.1: Promotion of Australia’s export and other international economic interests

Austrade-specific measures

The number of information, project and visitation requests, and stakeholder introductions generated from potential investors

Source of criterion: 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 3)

There was a total of 407 information requests, project requests, visitation requests and stakeholder introductions in 2016–17, which is an increase of 26 per cent on the total of 323 in 2015–16, itself an increase of almost 4 per cent on the 2014–15 figure of 312.

The steady increase in demand for Austrade’s services over three years demonstrates the attractiveness of Austrade’s service offering, and the 2016–17 total is above the forecast of 150 set out in the 2016–17 PBS, showing Austrade’s contribution in achieving this criterion.

Austrade also records priority milestones to recognise the length of time required for investment decisions to come to fruition and the changing nature of investment. During 2016–17, Austrade recorded 52 priority milestones, up from 49 the previous financial year.

Table 5: Performance criteria and results for Purpose 3, Program 1.2

Performance criterion and result: Purpose 3
Program 1.2: Programs to promote Australia’s export and other international economic interests

Developing Northern Australia—positioning the north as a leader in tropical health

Funds and advice provided to the Department of Industry, Innovation and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian tropical medicine research and development

Source of criterion: 2016–17 PBS, Program 1.2; 2016–17 corporate plan (Table 3)

The Australian Tropical Medicine Commercialisation grants program is fully allocated, with successful applicants receiving payments totalling $2.1 million across 2015–16 and 2016–17. A further $2.6 million has been allocated to projects in 2017–18. Grants are paid on reaching agreed milestones. AusIndustry administers the program on behalf of Austrade, and supplies statistics to Austrade on its implementation.

A variety of factors (see analysis) resulted in $1.04 million being paid to grant recipients in 2016–17, which is below the forecast of $1.8 million set out in the 2016–17 PBS.
Analysis of Purpose 3

The sustained high numbers of foreign investment outcomes facilitated, in all cases meeting or exceeding the forecasts set out in the 2016–17 PBS, show Austrade’s success in achieving its purpose of winning productive foreign direct investment (FDI).

The number of investment outcomes facilitated by Austrade in 2016–17 rose to 92, above last year’s results and in line with the number recorded in 2014–15. The value of investment facilitated (almost $4.8 billion) was significantly up from 2015–16, although it was down from the $7.7 billion figure for 2014–15. Similarly, the jobs figures were up on last year but down on the previous year, while anticipated exports were down on both years.

There are a number of factors to keep in mind when looking at the number and value of investment outcomes. First, Austrade does not seek to touch all FDI into Australia. It focuses its efforts on productive FDI in areas where the benefit to Australia is greatest and where there is a role for government. Second, investment flows by their nature will vary significantly from year to year. One or two significant projects, particularly in the infrastructure and resources and energy sectors, can have a major impact on total values and/or jobs and exports. Finally, Austrade relies on publicly available information and investors voluntary reporting information to arrive at investment value, jobs and anticipated export figures. Response rates can vary significantly, meaning that changes to the underlying figures can be amplified.

Cross-border investment is changing globally. Competition continues to intensify and changes in the geopolitical environment are challenging globalisation and trade and investment liberalisation. Traditional source markets are becoming strong competitors for limited investment dollars, and emerging non-traditional investors from developing economies create a new dynamic in investment promotion and attraction. These factors, combined with the transition underway in Australia’s economy following the mining investment boom, create an increasingly challenging environment for the promotion and attraction of productive foreign direct investment into Australia.

Austrade continues to refocus its activities to accommodate the global and national changes in FDI, which is still transitioning from capital-intensive resource investments following the mining investment boom to more capital-light growth in the services industry. At the same time, the infrastructure cycle is shifting, with a smaller forward pipeline in asset leases and privatisations and a stronger focus on smaller scale greenfield investments, particularly in rail and road.

The Australian Tropical Medicine Commercialisation (ATMC) grants program is an $8.5 million program focused on commercialising Australian research and development in tropical medicine by attracting matched funds from foreign investors. Grants are paid when projects reach agreed milestones. The program is fully allocated, with successful applicants receiving payments totalling $2.1 million in the 2015–16 and 2016–17 financial years. A further $2.6 million has been allocated to projects in 2017–18.

Austrade has decreased its forecast grants payments of $1.8 million in the 2016–17 PBS forecast to $1.45 million in the 2017–18 PBS. In 2016–17, some ATMC projects experienced delays in achieving their milestones because of unexpected research results and changes to research methodologies, which had an impact on the timing of payments. For other projects, protracted negotiations with
investors on the terms of the joint activity also delayed the payment of matched funds. AusIndustry undertook an assessment of the delays the projects were experiencing, and reduced the original financial allocation of $1.8 million for 2016–17 to retain flexibility so the projects could be completed in the required timeframes. The Department of Finance approved the movement of $0.6 million to the 2017–18 and 2018–19 financial years. In addition, two projects successfully achieved their 2016–17 milestones under budget, which led to a further reduction of committed funds totalling $0.2 million.

Purpose 4: Strengthen Australia’s tourism industry

Table 6: Performance criteria and results for Purpose 4, Program 1.1

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 4 Program 1.1: Promotion of Australia’s export and other international economic interests</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen Australia’s tourism industry</strong></td>
<td><strong>Source of criterion:</strong> 2016–17 corporate plan (Table 5)</td>
</tr>
<tr>
<td><strong>Double overnight visitor expenditure to between $115 billion and $140 billion by 2020</strong></td>
<td><strong>Result</strong></td>
</tr>
<tr>
<td>Total overnight visitor expenditure reached $103.2 billion in 2016–17. Expenditure is still on target to exceed the Tourism 2020 lower-bound threshold of $115 billion, having grown by 6.6 per cent from $96.8 billion in 2015–16, itself a 7.8 per cent increase on the 2014–15 figure of $89.8 billion. The continued strong performance of overnight visitor expenditure in Australia over three years underscores Austrade’s contribution to achieving this criterion.<strong>(a)</strong></td>
<td><strong>Criterion met</strong></td>
</tr>
<tr>
<td><strong>Priorities and outputs outlined in the Tourism 2020 Implementation Plan (2015–2020) progressed in accordance with agreed timeframes</strong></td>
<td><strong>Result</strong></td>
</tr>
<tr>
<td>Austrade was responsible for key actions outlined in the Tourism 2020 Implementation Plan 2015–2020, overseen by tourism ministers through the Australian Standing Committee on Tourism. Austrade reviewed the progress against the implementation plan, which includes cross-portfolio collaboration, visa arrangements, aviation capacity, labour and skills, and investment. Outcomes included the continued rollout of multiple-entry visitor visas and online visa lodgement; contribution to the successful negotiation of new or updated air services arrangements; collaboration between industry and government to address labour and skills issues; and efforts to integrate national and state tourism plans into regional development and local government planning. The suite of activities Austrade has undertaken in this area shows Austrade has progressed the priorities and outputs of the Tourism 2020 Implementation Plan, as forecast in the 2016–17 PBS.</td>
<td><strong>Criterion met</strong></td>
</tr>
</tbody>
</table>

**(a)** Austrade’s 2015–16 annual report and annual performance statement stated total overnight visitor expenditure in 2015–16 was $97.1 billion. Following a revision to the National Visitor Survey estimates, this figure has been revised to $96.8 billion.
Performance criteria and results: Purpose 4 (continued)
Program 1.1: Promotion of Australia’s export and other international economic interests

Proportion of tourism operators which use Austrade’s tourism research and information and say it helped support their marketing and business decisions

Source of criterion: 2016–17 PBS, Program 1.1; 2016–17 corporate plan (Table 5)

In 2016–17, 82 per cent of Tourism Research Australia (TRA) stakeholders who responded to a TRA survey said they used TRA research or data. This result is higher than the 80 per cent forecast in the 2016–17 PBS. Of the tourism business operators that used TRA research and data, 100 per cent used it to help support marketing activity or business decisions. These survey figures compare to results of 85 per cent and 87 per cent respectively in 2015–16, and this sustained performance shows Austrade’s success at achieving this criterion.

Table 7: Performance criteria and results for Purpose 4, Program 1.2

Performance criteria and results: Purpose 4
Program 1.2: Programs to promote Australia’s export and other international economic interests

Tourism Demand-Driven Infrastructure (TDDI) program

Budgeted TDDI funding distributed to state and territory governments

Source of criterion: 2016–17 PBS, Program 1.2

In 2016–17, payments totalling $10.2 million were made to state and territory governments for 65 projects under the National Partnership agreement for 2016–17. In 2015–16, payments totalling just over $9 million were made to state and territory governments for 63 projects under the National Partnership agreement for that financial year.

The budgeted funding distributed is below the forecast of $15 million set out in the 2016–17 PBS, but above the revised forecast for 2016–17 of $9 million as set out in the 2017–18 PBS. Funding was distributed in line with projects identified in National Partnership agreements.

TDDI funding distributed to projects identified by state and territory governments in National Partnership agreements, consistent with funding principles agreed by tourism ministers

Source of criterion: 2016–17 PBS, Program 1.2

Approved 2016–17 schedules for TDDI funding for all states and territories were in place during the year, and all approved projects were consistent with funding principles agreed by tourism ministers.

With the exception of $175,000, states and territories allocated all available 2016–17 funding. Two jurisdictions were unable to allocate all funding due to project delays and withdrawals, which were addressed through schedule variations. As the funding was distributed by Austrade, consistent with principles agreed by tourism ministers, as forecast in the 2016–17 PBS, this criterion was met.
Analysis of Purpose 4

Austrade continues to focus on developing and advocating for policy reform to enable the Tourism 2020 upper-bound growth targets to be attained. The significant increase in overnight visitor expenditure shows this work is on track to surpass the lower-bound growth target set by the Government in the Tourism 2020 strategy. The progress on this important measure underlines Austrade’s success at achieving its purpose of strengthening Australia’s tourism industry.

Austrade continues to effectively deliver outcomes under Tourism 2020. In late 2016, the Australian National Audit Office (ANAO) conducted a performance audit of Tourism 2020, assessing Austrade and Tourism Australia’s effectiveness in its implementation. The ANAO’s audit report *Strengthening Australia’s Tourism Industry* was released in April 2017. The ANAO found Tourism 2020 has been developed and implemented through strong collaboration between governments and industry, supported by sound research and accurate reporting based on relevant key performance indicators.

Examples of Austrade’s policy development and advocacy include trials of 10-year multiple-entry visas for Chinese visitors, a fast-track 48-hour visa processing service, and online application lodgement. Austrade also contributed to open aviation arrangements with China and other significant tourism markets. Austrade continues to work with Tourism Australia to attract foreign investment into regional tourism infrastructure, which will support the Australian tourism industry to reach the Tourism 2020 targets.

The results from Austrade’s survey of Tourism Research Australia (TRA) stakeholders show 82 per cent of respondents use TRA data and information to support their marketing activities and business decisions. This information is particularly valued by tourism business operators, with 100 per cent of those surveyed using TRA data to support marketing activities and business decisions. This is evidence of sustained high performance, though it should be noted the sample sizes for this survey are relatively small, and the number of respondents to the survey declined between 2015–16 and 2016–17.

Growth of the Australian tourism industry is coming largely from inbound visitor spending, although Australians are also beginning to shift their expenditure in favour of domestic holidays. Chinese tourists are the largest source of spending growth, and arrivals from China are expected to overtake New Zealand to make it Australia’s biggest international tourist market in 2017–18.

All states and territories have approved schedules that allocate funding under the Tourism Demand-Driver Infrastructure program, consistent with principles agreed by tourism ministers.

The forecast for payments in 2016–17 under the Tourism Demand-Driver Infrastructure program was reduced from $15 million in the 2016–17 PBS to $9 million in the 2017–18 PBS in line with the expected progress payments to states and territories. Six states and territories requested a movement of $4.7 million of the 2016–17 program funds into the final year of the program.
Purpose 5: Help Australians with consular and passport services

Table 8: Performance criteria and results for Purpose 5, Program 2.1

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 5 Program 2.1: Consular and passport services</th>
</tr>
</thead>
<tbody>
<tr>
<td>In accordance with the Department of Foreign Affairs and Trade Passport Client Services Charter:</td>
</tr>
<tr>
<td>Normal passport applications are scanned within 24 hours</td>
</tr>
<tr>
<td>Source of criterion: 2016–17 PBS, Program 2.1; 2016–17 corporate plan (Table 6)</td>
</tr>
<tr>
<td>Result</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>97</td>
</tr>
<tr>
<td>98.5</td>
</tr>
<tr>
<td>Forecast  Actual</td>
</tr>
<tr>
<td>In 2016–17, 98.5 per cent of the 16,568 passport applications received at Austrade offices were scanned within 24 hours. This result is well within the 3 per cent tolerance benchmark set by the Australian Passport Office, and is slightly higher than the 98.4 per cent achieved in 2015–16. As this exceeds the forecast of 97 per cent set out in the 2016–17 PBS, this criterion has been met. The number of passport applications received grew by over 12 per cent in 2016–17 compared to 2015–16.</td>
</tr>
<tr>
<td>Routine passports are issued in a timely and responsive manner</td>
</tr>
<tr>
<td>Source of criterion: 2016–17 PBS, Program 2.1; 2016–17 corporate plan (Table 6)</td>
</tr>
<tr>
<td>Result</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>97</td>
</tr>
<tr>
<td>99</td>
</tr>
<tr>
<td>Forecast  Actual</td>
</tr>
<tr>
<td>In 2016–17, 99 per cent of routine passports were issued within three weeks. This result is well within the 3 per cent tolerance benchmark objective agreed with the Australian Passport Office, and is higher than the 98.9 per cent achieved in 2015–16. As this exceeds the forecast of 97 per cent set out in the 2016–17 PBS, this criterion has been met.</td>
</tr>
<tr>
<td>Urgent passport issues are dealt with in a timely and responsive manner</td>
</tr>
<tr>
<td>Source of criterion: 2016–17 PBS, Program 2.1; 2016–17 corporate plan (Table 6)</td>
</tr>
<tr>
<td>Result</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>97</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Forecast  Actual</td>
</tr>
<tr>
<td>Austrade received 1,186 applications for emergency travel documents overseas. As 100 per cent of urgent passport issues were dealt with in a timely and responsive manner, this exceeds the forecast of 97 per cent set out in the 2016–17 PBS, and the criterion has been met. This represented an increase of 6 per cent from the 1,121 applications received in 2015–16.</td>
</tr>
</tbody>
</table>
### Performance criteria and results: Purpose 5 (continued)

**Program 2.1: Consular and passport services**

<table>
<thead>
<tr>
<th>Notarial services are to be delivered when the correct documents are lodged by a client</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of criterion:</strong> 2016–17 PBS, Program 2.1; 2016–17 corporate plan (Table 6)</td>
<td>![Percentage Chart]</td>
</tr>
</tbody>
</table>

One hundred per cent of the 7,996 notarial services recorded were delivered in person and at the time when complete and correct documentation was lodged. This is above the forecast of 97 per cent set out in the 2016–17 PBS, and the criterion was met.

### Analysis of Purpose 5

Austrade consular offices performed well throughout the year and have consistently met or exceeded the Department of Foreign Affairs and Trade (DFAT) and Australian Passport Office benchmarks. Consular and passport services are a public feature of Austrade’s work and positive feedback was received throughout the year, including through ministerial correspondence, with members of the public thanking consular offices for their sensitive management of complex consular cases.

Annual performance feedback received from DFAT confirms its satisfaction with the performance of Austrade offices in the delivery of consular and passport services and Austrade’s efforts in relation to contingency planning. DFAT also commended the collaborative approach Austrade takes in reviewing the crisis action plans of individual offices and when providing support on crisis management.

The efficient delivery of services by Austrade and the levels of satisfaction from applicants and stakeholders demonstrate Austrade’s success at achieving this purpose.

In May 2017, DFAT opened an embassy in Bogota, Colombia, and responsibility for consular and passport services transferred from Austrade to DFAT. However, Austrade continued to provide assistance with the delivery of consular services for the remainder of the reporting year. As such, June 2017 statistics, as provided by the Australian Passport Office, have been included in the financial year result.
Purpose 1: Develop international markets

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 1, as set out in its 2016–17 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the 2016–17 Portfolio Budget Statements, specifically Outcome 1, Program 1.1, reported from page 36, and Program 1.2, reported from page 76. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 19–34.

Outcome 1

Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.

› Program 1.1: Promotion of Australia’s export and other international economic interests
› Program 1.2: Programs to promote Australia’s export and other international economic interests

Purpose 1 achievements

Austrade has partially met, met or exceeded its forecasts for Purpose 1, with examples highlighted below.

| 89% of all clients surveyed were satisfied with their dealings with Austrade during the past 12 months—above the 70 per cent forecast in the 2016–17 Portfolio Budget Statements (PBS). | Delegates reported high levels of satisfaction with the delivery of minister-led business missions, demonstrating Austrade’s success at achieving this criterion. | 85% of Australian businesses (trade only) indicated they achieved some form of commercial outcome in 12 months of working with Austrade—above the 70 per cent forecast in the 2016–17 PBS. |
| Austrade established Landing Pads in Shanghai, Berlin and Singapore, adding to those established in San Francisco and Tel Aviv during 2015–16, and achieving the criterion set in the 2016–17 PBS. | 95% of Export Market Development Grant recipients surveyed reported a grant enabled their business to become a more sustainable exporter—above the 90 per cent forecast in the 2016–17 PBS. | Ninety per cent of North Asia free trade agreement seminar attendees reported an increased understanding of how to use and benefit from North Asia free trade agreements—exceeding the 85 per cent forecast in the 2016–17 PBS. |
Purpose 1: Develop international markets
Program 1.1: Promotion of Australia’s export and other international economic interests

Austrade’s international network

Austrade provides information, advice and services to Australian businesses, education institutions, tourism operators, governments and citizens. Across its purposes, Austrade contributes to Australia’s economic prosperity through its trade promotion and investment attraction activities, promotion of Australia as an international study destination, and by connecting tourism attraction and tourism policy advice and advocacy with its wider spectrum of work.

At 30 June 2017, Austrade’s network comprised 121 locations, including 10 offices in major Australian centres, complemented by 28 TradeStart offices, and 83 overseas locations in 49 different markets. Fifteen of the locations overseas also provided consular services in locations where the Department of Foreign Affairs and Trade does not have a presence. In May 2017, consular and passport responsibilities for Bogota, Colombia, transferred to the Department of Foreign Affairs and Trade. During the transition, Austrade continued to provide assistance with the delivery of consular services, and will continue to operate an office there. For more information on Austrade’s consular activities, see Purpose 5 on page 127.

Austrade also established Landing Pads in Shanghai, Berlin and Singapore through the year, bringing the total number of Landing Pads to five, with San Francisco and Tel Aviv established in 2015–16. For more information about Landing Pads, see page 88.

United States

The United States is Australia’s largest foreign direct investor and second-largest two-way trading partner.1 With the Australia–United States Free Trade Agreement now in its 17th year, it is one of Australia’s most robust trade and investment relationships. Leveraging this trusted partner status, and working in partnership with the Department of Foreign Affairs and Trade, Austrade is working to demonstrate how Australian business can play a role in delivering the ambitious infrastructure goals of the new United States administration.

Austrade is contributing to the Australian Government’s 2015 National Innovation and Science Agenda goal of creating high-value, technology-based jobs. A study completed in October 2016, by the Department of Industry, Innovation and Science, showed that nearly all of the 1.6 million new jobs created between 2003 and 2014 in Australia came from startups and fast-growing technology companies.2 Austrade’s work in the United States is focused on attracting fast-growing technology companies to expand into Australia. This will be achieved by highlighting Australia’s high levels of adoption of new technology and the potential access

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to Asian markets offered through Australia’s high-quality free trade agreements in the region. Simultaneously, Austrade is assisting Australian startups to enter the United States market and tap into its large pool of venture capital funds and lucrative consumer base through its San Francisco Landing Pad and a range of technology-focused events and business missions.

Austrade, in partnership with the Department of Foreign Affairs and Trade, promoted Australian trade and investment at G’Day USA, the Australian Government’s premier public cultural and economic diplomacy program in the United States, held in January 2017 in New York, Austin and Los Angeles. The program featured engagement with senior business and government officials from the United States, showcasing the best of Australia and providing a platform to enhance bilateral dialogue, and build cooperation on priority issues for both countries.

In February 2017, Austrade, in partnership with the Cyber Security Growth Centre, led a mission of 26 Australian organisations to the RSA Conference on cybersecurity in San Francisco.

With six of the world’s 10 largest cybersecurity firms based in California, the United States is a leader in the sector. Australian companies were able to meet potential customers, investors and partners in this growth industry, which has a projected spending increase of between 8 and 15 per cent year-on-year over the next five years.

As a result of this mission, Austrade was able to progress and generate seven new investment opportunities. Similar activities were conducted in March 2017 at the annual South by Southwest conference in Austin, where Australian education technology excellence was showcased.
Aussie sports startup makes huge strides in lucrative United States events market

Shannan Gove, Bennett Merriman and Chris Grant created Event Workforce Group (EWG) as a means to close the gap between work experience and full-time employment for graduating Australian sport and event management students. As the business evolved, the entrepreneurs developed workforce management software to help manage the company’s 20,000-strong database of students and graduates, and its growing portfolio of over 1,000 events per year.

To help take EWG to international markets, the startup applied for Austrade’s Landing Pads program. Bennett took up a 90-day residency in San Francisco, where Austrade provided tailored business advice and assisted with identifying and targeting potential investors, strategic partners and customers.

The San Francisco Landing Pads program includes sessions on marketing, accessing venture capital, navigating United States tax and immigration, and establishing customers and legitimacy. It also includes mentoring from members of the Aussie Founders Network and networking opportunities.

‘Being in the United States allowed us to quickly formalise deals with the biggest event organisers, cities and universities in the world’, Bennett said. ‘In just three months, we secured multi-year contracts, growing our revenue forecast by 300 per cent on previous years. When we arrived in San Francisco, we were lucky enough to be well supported by the Australian Government, which introduced us to local clients and Australians in the Bay Area, and ensured we were supported with target market research so that we could make the most of the opportunity.

‘Without the Landing Pad, we might have delayed moving international as quickly as we did. The office environment was motivating, being around founders in the same boat, particularly Australians expanding into the United States market, and it was helpful to take workshops on the operational aspects involved in launching a business into the United States’, Bennett said.

In May 2017, Austrade, the Australian Digital Currency Commerce Association, the New South Wales and Victorian state governments and CSIRO’s new research unit, Data61, led the Australian presence at the annual technology conference, Consensus, in New York. Austrade’s objective was to highlight Australian expertise in blockchain technology to leading representatives across banking, insurance and health. Visits to the lounge and networking sessions generated more than 110 new contacts. Six leads were developed during the conference in both trade and investment and are being actively pursued.

To further support Australian startups, Austrade’s San Francisco Landing Pad serves as a bridge between the Australian and United States innovation ecosystems and offers Australian entrepreneurs a platform to tap into the world’s most dynamic venture capital market. The program provides market-ready Australian startups with a 90-day residency at RocketSpace, a technology campus, with tactical workshops, access to mentors and service providers, and tailored network introductions. In its first year, three cross-industry cohorts completed the program, with a number...
Another successful outcome for EWG has been the Houston Super Bowl volunteer program, which has signed up to use its workforce scheduling platform, Rosterfy. One of the most watched sporting events in the world, the Super Bowl has been successfully using Rosterfy to recruit, screen, interview and automatically allocate roles and communications to over 35,000 individual applicants.

Chris Oldfield, Senior Trade Commissioner and Consul-General, San Francisco (left), pictured with Bennett Merriman, Event Workforce Group, at the San Francisco Landing Pad in August 2016. Photo: Event Workforce Group.

showing impressive early results, including deals with major United States retailers and event management groups. For more information about Landing Pads, see page 88.

In addition to the Landing Pad, Austrade has formed a series of links to help Landing Pad graduates and other startups tap into hotspots for their sector. Australian company OpenCities, which offers a website-building service for local governments, has secured projects in three cities in the United States—Miami, Orlando and Grand Rapids. The company signed a partnership with Microsoft CityNext during its time in the San Francisco Landing Pad and graduated into San Francisco’s Superpublic Innovation Lab, a collaborative space where federal, state and city governments come together to address policy and regulatory issues.

Austrade is also pursuing numerous global value chain opportunities in the United States, providing support to Australian exporters in North America by leading targeted trade missions to key conferences and delivering global value chain initiatives in the cybersecurity, defence, and resources and energy sectors.
Argentina

Argentina’s program of market-liberalising reforms is laying the foundation for a renaissance in South America’s second-biggest economy. This bodes well for Australian companies that have begun to look more closely at opportunities in energy and resources, education and training, infrastructure and the digital economy. Despite Argentina’s economy shrinking by 1.8 per cent in 2016,3 Australian exports to Argentina increased by 17 per cent between 2014–15 and 2015–16.4

Argentina’s government, elected in 2015, has implemented most of its economic agenda, which is focused on restoring relations with international creditors, stabilising the exchange rate, and removing trade tariffs and taxes on agricultural exports. These changes were closely followed by a new foreign investment protection law and a law to regulate and encourage public–private partnerships. With Australia’s experience and capability in delivering infrastructure projects in partnerships between government and the private sector, there is considerable potential for Australian companies to provide solutions in this growing sector in Argentina.

Infrastructure development is a priority for the Argentine Government and significant opportunities exist for investment in rail, ports and urban development in particular. In February 2017, Austrade’s Senior Trade Commissioner for Andean Latin America led an infrastructure delegation of Australian companies based in Chile to Buenos Aires to meet with national and city governments to discuss these opportunities. Two companies on the delegation have subsequently announced their market entry.

In 2016–17, Australian companies made two new investments in Argentina, valued in the millions of dollars, and the number of Australian firms visiting Buenos Aires to investigate the market has increased markedly. Twelve new Australian companies entered the market in 2016 and a further four entered in the first quarter of 2017. These companies were focused largely on mining and natural resources, but there has also been movement in the technology sector, with the entry of Flight Centre and Carsales into the Argentine market.

In March 2017, Austrade supported a breakfast roundtable meeting in Sydney, hosted by the Global Foundation, for the visit to Australia by Her Excellency Gabriela Michetti, Vice President of Argentina. The Vice President was accompanied by a high-level delegation, and met with CEOs and high-ranking officials from the Australian Government and Australian business community.

Interest in Argentina’s resources and energy sector has been strong. Challenges in exploiting Argentina’s reserves, including a lack of skilled workers, low productivity and complicated mining approvals, create opportunities for Australian expertise. Austrade is working with Australian mining juniors, exploration companies, major mining companies, and mining equipment, technology and services businesses to facilitate their entry into the market. Most recently, three Australian companies—Ocean Gold, Newcrest and Latin Resources—have begun seeking opportunities among the unexplored projects, estimated by Argentina’s peak mining body, La Cámara Argentina de Empresarios Mineros, to be worth US$20 billion.

In education, Australia is well positioned to provide technical skills and training for the energy, resources and agriculture industries.

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Brenda Wabule Senior Business Development Manager, Nairobi

Brenda Wabule is Austrade’s Senior Business Development Manager for East Africa, based in Nairobi, Kenya. She is responsible for developing trade and education opportunities between East Africa and Australia.

Brenda promotes Australian capability and assists clients in areas such as mining, oil and gas, agribusiness, infrastructure, technology, education and energy. Brenda also generates market information and insights on the East Africa market and works with the Australian High Commission in Nairobi to develop Australian Government policy with regard to engagement with East Africa. Prior to joining Austrade, she worked in the banking sector, facilitating foreign exchange transactions for Kenyan and regional importers and exporters.

‘Working for Austrade is enjoyable and has helped me develop personally and professionally. I’ve had the opportunity to undertake world-class training, and the organisation’s diversity has given me great insight into different sectors. This has enabled me to develop my expertise in handling many types of businesses’, said Brenda.

Brenda holds a Master of International Business Management from Monash University in Melbourne.

Argentina has already adopted the Australian vocational education and training framework to train construction workers, electricians, plumbers, welders and gas installers at the Universidad Provincial de Oficios Eva Perón in San Luis.

Argentina views greater participation in the digital economy as a means to differentiate itself from its developing neighbours. Of Latin America’s six technology startups valued at more than US$1 billion, four emerged in Argentina. In response, Austrade has facilitated an agreement between one of the largest local technology funds, NXTP Labs, and SproutX, an agribusiness technology startup fund and accelerator based in Melbourne. This agreement will help create access to market for agribusiness technology companies—a market that feeds 400 million people around the world annually.

Korea

Korea is a key long-term trade and investment partner for Australia. It is Australia’s fourth-largest export market, with two-way bilateral trade valued at $32 billion in 2016. Historically, the trade and investment relationship has been underpinned by Australia’s supply of resources and energy, specifically iron ore and coal, which helps fuel Korea’s manufacturing industry. Korea also has significant investments in Australia’s mining sector. However, there is scope to diversify and broaden the trade and investment relationship. During 2016–17, Austrade saw increased interest from Korea in exploring other sectors, including agrifood, financial services, education, and investment into infrastructure and alternative assets.

When fully implemented, the Korea–Australia Free Trade Agreement (KAFTA) will eliminate over 99 per cent of duties and tariffs. Some early winners of the KAFTA tariff reductions include premium food, dairy, grain and horticulture products. KAFTA also resulted in the removal of a 15 per cent tariff on wine, and in the 12 months to June 2016, Australia's wine exports to Korea were valued at $12.6 million, an increase of 10 per cent over the previous year.\(^6\) To encourage continued growth, Austrade, in collaboration with industry partner Wine Australia, delivered in-market wine promotions, including an Australian Grand Tasting event in Seoul in September 2016, featuring 22 Australian wineries that met with more than 300 Korean wine importers.

Korean importers mull the character of Australian wines at an Australian Grand Tasting event in Seoul in September 2016. Photo: Dylan Goldby.

The Korea–Australia Free Trade Agreement has also made it easier for Australian services providers to establish operations in Korea. During 2016–17, Austrade assisted a number of Australian companies to establish offices in Seoul, including Webjet, an Australian tourism wholesaler; Aconex, a project management software provider; and IFM Investors, a global infrastructure funds management company.

In April 2017, the Korea Financial Investment Association led a delegation of 20 CEOs from Korean asset and fund management companies to Australia. This visit demonstrated the growing ties between Korea and Australia in the financial services sector. Leveraging Australia’s attractiveness as a global leader in asset and funds management, the Korean delegation learned how Australia manages its superannuation and infrastructure funds, and forged new investment partnerships. Australia and Korea, along with other countries, are working together to launch the Asia Region Funds Passport in late 2017.\(^7\)

Strong productive investment from Korea continues. During 2016–17, Korea's pension funds, including the Korean National Pension Service, the third-largest pool of pension funds in the world at over $500 billion, made several key investments in transport infrastructure and real estate assets in Australia.\(^8\) Korea is now one of the fastest growing investor nations to Australia, with a 10-year compound annual growth rate of over 38 per cent.

In 2016, Australia experienced a 7 per cent increase on the previous year’s international student enrolments from Korea.\(^9\) Ranking third behind China and India as a source market for international students, there were more than 30,000 Korean students enrolled in December 2016.\(^10\) Within the sector, the strongest demand from Korea is for vocational education and training studies, which accounted for 52 per cent

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\(^10\) Ibid.
of enrolments.\(^\text{11}\) This is driven by an increased demand for employment opportunities and work experience by Korean students.

In 2016–17, Austrade ran a promotional campaign to raise awareness of study options at Australian institutions, aimed at the international student market in Korea. The campaign featured articles from six Australian institutions on Austrade’s Korean language ‘Study in Australia’ blog, with the content promoted online and through social media channels. The blog attracted 15,000 visitors per month during 2016–17, and up to 47,000 visits per month at the peak of the campaign.

**Philippines**

The Philippines recorded one of the fastest GDP growth rates in Southeast Asia in 2016, reaching 6.8 per cent, with the growth rate projected to continue into 2017–18.\(^\text{12}\) A number of unique drivers are fuelling this performance, including domestic consumption, remittances from overseas Filipino workers, the rapid rise of the business process outsourcing sector, and unprecedented expenditure in infrastructure development.

During 2016–17, Austrade deployed a number of key initiatives to profile Australian capabilities in priority segments, and raise awareness of specific business opportunities, both in the Philippines and across the broader region. Initiatives comprised in-market media, inbound delegations to Australia, including consumer, grains, food and beverage, water and public–private partnership delegations, as well as in-market promotional activities to position countercyclical Australian citrus and stone fruits with the Philippine retail and hospitality sectors.

Mark Thirlwell, Austrade Chief Economist, being interviewed by Bloomberg TV Philippines on the synergistic nature of the Philippine and Australian economies. Photo: Austrade.

The Philippines is one of the world’s highest users of social media. Austrade continues to leverage social media and digital influencers to address the rising middle class, particularly food and beverage consumers and international students. With a median age of 24 years and the second-largest population in ASEAN,\(^\text{13}\) the Philippines is focused on ensuring its population acquires the skills needed to secure local or global employment.

Austrade, under its Australian International Education 2025 roadmap, conducted a series of outreach activities with international schools and industry, as well as agents. The Philippines remains a largely vocational education and training market, with over 11,000 student enrolments in 2016\(^\text{14}\) and a growing number of local partnership arrangements between Australian and Philippine education institutions.

The headquarters of the Asian Development Bank (ADB) is based in Manila, which presents opportunities for Australian companies in

\(^{11}\) Ibid.


Genea, an Australian pioneer in the field of assisted reproductive technology (ART), recently joined forces with the world’s oldest pharmaceutical and healthcare company, Germany’s Merck, to deliver the Centre of Excellence for Fertility in Bangkok. This global partnership will deliver training in the latest ART techniques to healthcare professionals from around the world, using know-how from Australia, Europe and the United States. Austrade assisted Genea to establish this new training facility by making introductions to key government agencies and providing referrals to professional service providers. Austrade also accompanied Genea representatives to government meetings, helping the company navigate Thailand’s policy and regulatory landscape.

The Centre of Excellence for Fertility is located close to Genea’s other business, Superior ART, a fertility clinic which it operates with Thai partners. This offers a further advantage to its trainees, enabling them to see how Genea’s leading science and technology works in an actual clinical setting.

The Centre of Excellence for Fertility in Bangkok is another example of how Australia’s unique strengths in medical research and healthcare are making a difference to medical professionals and families around the world.

Since its inception as Sydney IVF more than 30 years ago, the Genea Group has been a pioneer in fertility treatments. The company began with a focus on helping Sydneysiders conceive a child, but this has evolved into an international focus on fertility innovation. Its world-class techniques and technology are currently in use in over 60 countries and 600 clinics around the world.
the region. Over the 2017–19 period, ADB plans to scale up financial assistance to its developing member countries to around US$58.6 billion. Australia already has a strong reputation with ADB as its third-largest recipient of consultancy services contracts, and there is an opportunity to deepen this engagement further, particularly in priority sectors such as water, transport, energy, health and education, and in regions such as South and Central Asia.

Austrade has played an active role in promoting Australian expertise in ADB-funded projects in the region. In March 2017, Austrade organised a joint mission to the Philippines and Indonesia to introduce 35 delegates to ADB and other multilateral aid opportunities.

As major economies such as the United States and the United Kingdom recast their trade policies, there is an increasing appetite from the Philippines to direct education and investment flows towards Australia. Significant investors from the Philippines have already made successful ventures into the major infrastructure and food sectors, which have led to further Australian exports. The Philippine conglomerates are opening up to investments that give access to technology, premium products and advanced markets.

Austrade continues to see major opportunities for Australian food and agricultural products and services in the Philippines. The extensive ‘Build, Build, Build’ infrastructure program under the new administration, and Austrade’s refined strategic engagement with ADB, will also create opportunities for the infrastructure, energy, transport, health and professional services sectors. Education will remain critical, with Australia an important partner in the Philippine healthcare, hospitality and retail, and business process outsourcing industries, providing curriculum and skills that match current and future requirements in aged and home care, data analytics, cybersecurity and digital media.

**Challenge: Exporting Australian fresh red meat products to Myanmar**

In 2014 and early 2015, Australian red meat exporters found it difficult to get fresh meat products into Myanmar. Regulations in market required meat health certificates to be supplied before meat products had been ordered, which was then followed by a complicated approval process.

In 2015, Austrade and Meat & Livestock Australia (MLA) gave a presentation to the Myanmar Meat Inspection Board on Australia’s meat traceability and export systems. After due consideration, the board agreed to allow Australian companies and importers to submit pro forma health certificates to obtain the necessary approvals. The full health certificate is then sent with the export order.

Austrade has continued its work in this area on behalf of Australian exporters. In 2016, Austrade, MLA and the Victorian Government organised the first ‘Australia on the Menu’ promotion of premium Australian meat and wine at 20 restaurants in Yangon. Myanmar is currently a small market for Australian meat exporters, but the long-term potential is bright. In 2016, Australian meat exports to Myanmar totalled $2 million, growing from sales of just over $300,000 in 2014.

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Some of the very best Australian craft beers were sampled by Chinese consumers for the first time as part of an official craft beer mission to China held in March 2017. The craft beer culture is taking hold across China, with strong interest among the 300 trade visitors who attended the Austrade-organised roadshow held in Guangzhou, Kunming, Shanghai and Beijing.

Pale ales and higher-priced limited edition beers attracted the most attention. The majority of craft beer in China is consumed on premises, with Shanghai alone having several hundred venues serving craft beer. Business relationships forged during the roadshow will play an important role in getting Australian beers on the menu in bars and restaurants over the next 12 months.

Delegates were impressed by the level of consumer knowledge and passion among Chinese craft beer aficionados. One delegate secured a deal to supply the in-room dining for a major hotel chain in Western China, with confidential negotiations between several other suppliers and potential buyers ongoing.

Home consumption of imported beer to China rose 40 per cent last year.16 Recent strategic moves into China by multinational brewing giant, AB InBev, reflect the importance of this future market, and highlight some of the strategic challenges.

David Ward of Australian Brewery is optimistic. ‘While we can’t ignore the competition from the United States, I am quietly confident that Australian craft beers can carve out a share of this growing market’, he said.

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Promoting Australian trade internationally

Austrade assists export-ready Australian businesses and institutions to access commercial opportunities in overseas markets. It draws on its deep commercial knowledge and international network to promote Australian industry capability offshore and connect Australian exporters with international customers.

Austrade’s trade promotion priorities in 2016–17 focused on global trade themes, which reflect major areas of projected global demand, and where those intersect with areas of Australia’s capability, competitive advantage and capacity to export. The global trade themes allow Austrade to provide national leadership and align multiple stakeholders across industry and government to facilitate trade opportunities for the Australian business community.

Austrade’s global trade themes are:

› **food and agribusiness**—emphasising Australia’s credentials for clean and safe premium food and beverages, as well as sustainable and productive agricultural technologies and services

› **resources and energy**—assisting Australian small to medium-sized enterprises (SMEs) to gain access to markets, including through multinational corporations’ value chains across the mining equipment, technology and services, oil and gas, and renewables sectors

› **international health**—focusing on health information technology and software, medical devices, aged care and senior living, biotechnology, clinical trials and pharmaceuticals

› **advanced manufacturing**—focusing on assisting Australian SMEs and startups to access new customers, markets and industries, including through multinational corporation value chains across the aerospace, defence, marine and automotive sectors

› **infrastructure**—focusing on smart and resilient cities, including urban sustainable development and transport solutions, rail and road safety

› **services and technology**—focusing on services solutions (value-added services, digital delivery and outward investment expansion for services firms), financial services (funds management and fintech), cybersecurity, and assisting Australian startups and scale-ups to access global markets.

Trade promotion across these sectors is delivered through a framework comprising five routes to market. These are:

› **global value chains**—facilitating access for Australian suppliers into the global value chains of multinational corporations, which account for over 70 per cent of world trade

› **linking innovation ecosystems**—facilitating introductions for Australian startups, scale-ups or innovation-seeking companies into incubators, accelerator programs, venture capital networks, research and development organisations, universities, global platforms or the global value chains of multinational corporations. As part of the Government’s National Innovation and Science Agenda, Austrade also delivers the Landing Pads program, which provides Australian startups with a short-term operational base in global innovation hotspots, strengthening commercialisation pathways for Australian companies
cross border e-commerce—facilitating access for Australian exporters onto major international e-commerce platforms, educating businesses on how to develop their own sites for online international sales, and working with services and technology businesses selling into overseas platform brands to maximise their global e-commerce businesses

Policy, Research, Equipment, Technology, Skills and Services framework—meeting a complex market opportunity by promoting the adoption of Australian policy, research or standards, in sectors where Australia has a global reputation for excellence, as a pathway for the export of technology, skills and services

trade missions and events—using major minister-led and tailored trade missions to promote Australia’s capabilities and introduce Australian companies into the market.

Trade operating context

In a constantly evolving international trading environment, where economic and political changes present challenges and opportunities, Austrade continues to provide practical support to businesses and institutions in markets around the world.

Austrade’s operating model for trade is based on the principle of helping exporters fill unmet market needs. Its trade resources are directed toward markets where challenges such as language, business culture and unclear regulatory regimes can create barriers to successful market entry, and where the status and support of a government entity can help. This trade model is demand-driven and informed by supply, with a focus on areas where Austrade can add unique value and partner with others to deliver sustainable long-term success.

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**Challenge:** Delivering new opportunities in the food and agriculture sectors

Food and agriculture exports have grown by $7.5 billion over the past four years, and have significant potential for further growth. Over 60 per cent of recent food export growth has been based on value-added or premium food exports, representing a change in Australia’s pattern of food and agricultural commodity exports.

In response to this change, Austrade has focused on improving the coordination of Australian food promotions overseas to support Australian food exporters take advantage of the demand for high-quality, identifiably Australian foods.

Austrade facilitated a joint initiative by Meat & Livestock Australia, Dairy Australia, Wine Australia and Horticulture Innovation Australia to position Australian food and wine together in China. This type of joint approach had not been achieved before by Australian food and beverage industries working in China. A joint event was held in Shanghai under a ‘Taste Australia’ banner to tell the story of high-quality Australian food to key influencers and media.

The ability of these four industries to work together was underpinned by their adoption of the Premium Australia messaging guide delivered by Austrade in 2016. This guide is based on market research performed by industry and government, and articulates an evidence-based approach to positioning Australian food in China that goes beyond ‘clean, green and safe’.

There is an imperative for Austrade to maintain a focus on traditional export sectors, while understanding emerging sectors of the global digital economy.
Austrade has adjusted the focus of its trade priorities through the ongoing analysis of the global drivers that shape international trade and investment. Trends affecting the Australian economy, such as shifting global and regional demographics, technological innovation, and the growth of new trade routes, help shape the way Austrade delivers support to businesses and institutions.

To achieve this, Austrade’s onshore teams focus on understanding the supply side of the Australian economy—that is, areas of Australian comparative advantage where domestic industries or sectors have the capacity, capability and desire to export—and then work to match that with demand from international customers.

Austrade’s offshore network engages with international customers to identify high-value opportunities for Australian businesses and to influence successful outcomes. Through the market knowledge of its international network, Austrade also identifies areas of projected international growth and future opportunities for Australia’s exporters.

**Global trade environment**

The International Monetary Fund (IMF) estimates the volume of global trade in goods and services grew by just 2.2 per cent in 2016, the slowest pace of expansion since the downturn of 2009.\(^\text{17}\) World trade growth has struggled to gain momentum in the years following the global financial crisis.

According to the World Trade Organization (WTO), trade weakness in 2016 was partly a reflection of subdued economic activity overall, and of weakness in trade-intensive investment spending in particular. However, the WTO, the IMF and others think the slower pace of trade growth reflects deeper structural changes in the relationship between trade and economic output. This suggests some element of the lower trajectory for trade growth is likely to be persistent.\(^\text{18}\)

On a more positive note, the near-term trade outlook looks more favourable than it has for several years. Trade data from the final months of 2016 and the first two quarters of 2017 mostly showed a strengthening in global activity and an associated increase in international trade flows. On some estimates, the pace of trade expansion in the first quarter of 2017 was the fastest in more than half a decade, while leading indicators, such as export orders, container shipping and air freight, were all consistent with strong trade growth in the second quarter.\(^\text{19}\)

This improved performance has seen the IMF predict growth in world trade volumes will accelerate to a more robust 3.8 per cent in 2017 and then sustain a similar rate (3.9 per cent) in 2018. Likewise, the WTO is anticipating a recovery in trade performance over the same period.

One important downside risk to this positive trade outlook is what the IMF has described as the possibility of ‘protectionist policy actions under the pressure of mounting scepticism toward trade, immigration and multilateral engagement’.\(^\text{20}\) Recent years have seen some evidence of a worldwide proliferation in non-tariff barriers to trade, along with a declining appetite for additional trade liberalisation in some countries.

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Australia’s exporter community

According to the Australian Bureau of Statistics (ABS), there were 53,350 exporters in Australia in 2015–16. This total included 51,292 exporters of goods and 3,148 exporters of services.\(^{21}\) The 2015–16 figures showed a jump of 2,454 in the total number of exporters.

The total number of goods exporters increased by 2,611 in 2015–16, delivering a third consecutive year of strong growth in exporter numbers (Figure 8).\(^{22}\)

Markets that saw a large increase in business numbers included China, Fiji, Hong Kong, New Zealand, the United Kingdom and the United States. The same data show New Zealand retained its longstanding position as the most popular overseas market by number of exporters, with more than 18,500 exporters (or greater than one in three of all goods exporters) selling into that market. The United States also remained the second most popular destination, with more than 11,000 exporters (slightly more than one in five) selling there in 2015–16. In a change to the top three rankings from 2014–15, China has risen to be Australia’s third most popular export market by number of goods exporters, with more than 7,000 exporters now accessing the market (Figure 9).\(^{23}\)

In a pattern that seems to hold across most economies, Australia’s export profile is dominated by very small exporters (in terms of the number of exporters) and by very large exporters (in terms of the value of overall exports). For example, in 2015–16, almost 79 per cent of all goods exporters (that is, more than 40,000 exporters) each generated individual export revenue of less than $250,000. Collectively, this large group of micro-exporters accounted for less than 1 per cent of the total value of Australian goods exports.

At the other end of the spectrum, there were just 426 exporters making individual export revenues of $50 million or more. This small group of mega-exporters comprised less than 1 per cent of the total number of goods exporters but accounted for more than 86 per cent of all goods exports by value.

In the middle of the size distribution, there were 10,400 exporters with sales of between $250,000 and $50 million, which together accounted for roughly 20 per cent of exporter numbers and about 13 per cent of export values.

Although the ABS does not publish a breakdown for exporters of services with less than $1 million of exports, exports and exporters of services follow a similar pattern, with just 113 exporters of services (less than 4 per cent of all services exporters) generating 73 per cent of export values in 2015–16.\(^{24}\)

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21 Australian Bureau of Statistics, Characteristics of Australian Exporters, 2015–16, cat. no. 5368.0.55.006, 28 June 2017. The ABS cautions that its total figure is a ‘careful estimate’ as there is no accurate methodology to calculate the overlap between goods and services exporters. In addition, the count of exporters of services only provides a breakdown by size and number for services exporters, accounting for about 38 per cent of service exports by value, and excludes from the count exporters of a large range of service exports, including consumption by tourists and students in Australia.

22 There was a small drop in the number of services exporters in 2015–16, but with the services data based on a sample survey and only three years of results based on the new methodology, the ABS cautions against reading too much into the result.

23 The ABS only publishes data on export markets for goods exporters.

24 Due to the limitations on the count of services exporters, cited in footnote 20, the ABS count for exporters of services only covers about 38 per cent of service exports by value in 2015–16.
Figure 8: Number of Australian goods exporters, 2006–07 to 2015–16

Note: From 2013–14, the Australian Bureau of Statistics moved from Australian Business Number counts to a count based on the type of activity units.
Source: Australian Bureau of Statistics, Characteristics of Australian Exporters, cat. no. 5368.0.55.006; and Austrade.

Figure 9: Number of Australian goods exporters by most popular markets, 2015–16

Note: Exporters can sell to more than one market.
Source: Australian Bureau of Statistics, Characteristics of Australian Exporters, cat. no. 5368.0.55.006; and Austrade.
Australia’s exports, by composition and direction

Australia’s exports of goods and services were worth $330.4 billion in 2016, which included $259.1 billion of goods exports and $71.2 billion of services exports. Total export values in 2016 were up by 4.7 per cent on the previous year.\(^25\) That rise reflected strong increases in the value of exports of some minerals and fuels, gold exports, and services.

Higher commodity prices saw the value of exports of coal increase by more than 14 per cent in 2016, and iron ores and concentrates increase by more than 9 per cent in dollar terms. The value of gold exports soared by 30 per cent, while new capacity coming onstream helped push up the value of natural gas exports by almost 9 per cent.

Exports of services were also up by more than 9 per cent, with the value of both education-related travel services and technical and other business services each growing by almost 18 per cent, while exports of personal travel, excluding education, were up nearly 14 per cent.

Exports of iron ores and concentrates were Australia’s largest export earner in dollar terms in 2016, accounting for more than 16 per cent of total exports of goods and services. Exports of coal (almost 13 per cent of the total), education-related travel services, (6.6 per cent), gold (5.7 per cent), natural gas (5.4 per cent) and personal travel services, excluding education (5.3 per cent) were also significant contributors to the value of total exports.

The composition of Australia’s top 15 exports in 2016 is shown in Figure 10.

By direction of trade, the ranking of Australia’s top three export markets for goods and services in 2016 remained unchanged from the previous year. China was once again Australia’s largest export destination, accounting for more than 28 per cent of total exports, followed by Japan (with an 11.7 per cent share) and the United States (6.3 per cent of total exports).

The value of Australian exports to China, India, Hong Kong, Taiwan, Indonesia, Vietnam and Germany enjoyed strong growth last year, while the value of exports to the United Kingdom jumped by more than 70 per cent, driven largely by a surge in gold exports.

Australia’s top 15 export destinations for goods and services in 2016 are shown in Figure 11.

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Figure 10: Australia’s top 15 exports of goods and services, 2016

- Iron ores and concentrates
- Coal
- Education-related travel services
- Gold
- Natural gas
- Personal travel services (excl. education)
- Beef
- Aluminium ores and concentrates
- Wheat
- Professional services
- Crude petroleum
- Copper ores and concentrates
- Business travel services
- Technical and other business services
- Meat (excl. beef)

Source: Department of Foreign Affairs and Trade, Composition of Trade, Australia, 2016, Table 4; and Austrade.

Figure 11: Australia’s top 15 export destinations for goods and services, 2016

- Percentage of total exports

Source: Department of Foreign Affairs and Trade, Composition of Trade, Australia, 2016, Table 9; and Austrade.
Australia’s internationally active businesses

Australia’s International Business Survey (AIBS) is one of the largest surveys of internationally active businesses in Australia. The survey is conducted by the Export Council of Australia, with the support of Austrade, the Export Finance and Insurance Corporation and the University of Technology Sydney Business School.

The fourth survey in the annual series was implemented by market research company AMR between April and May 2017, and captured responses from 941 internationally active businesses drawn from 19 industry sectors and operating across more than 90 international markets.

Consistent with the results of previous surveys, AIBS 2017 respondents are involved in a diverse range of international activities, including exporting and importing goods and services, making outward investments, receiving inward investments, and undertaking international research and development activities (Figure 12).

Some of the findings from this year’s survey included:

› China is one of the two highest revenue sources for 23 per cent of respondents, while the United States is one of the two highest revenue sources for 22 per cent of respondents.

› The most popular free trade agreement (FTA) market for respondents exporting goods is New Zealand (30 per cent), followed by the United States (29 per cent), China (28 per cent), Singapore (24 per cent), Malaysia (20 per cent), Indonesia (18 per cent), Japan (18 per cent) and Korea (17 per cent).26

› Survey participants were generally optimistic about the future, with 87 per cent expecting the overall financial outlook for their company’s international operations over the next two years to be the same or better than the last two years, and 74 per cent planning to do business in new markets over this period.

AIBS 2017 also surveyed companies not currently engaged in international activities. The main reasons for a purely domestic focus given by companies were ‘a lack of international leads or contacts’ or they were ‘concentrating on scaling up domestically’.

More information about AIBS 2017 is available from the Austrade website at austrade.gov.au.

Figure 12: International activities of AIBS 2017 respondents

26 Figures add up to more than 100 per cent as some respondents export goods to more than one FTA market.

(a) Also includes some respondents who did not specify their international activities.

How Austrade works with Australian businesses

Connecting Australian exporters and opportunities

Austrade provides exporters with relevant and commercially useful information and advice, and access to its in-market networks, including decision-makers, international customers and relevant contacts. These services help exporters deal with the language, culture, business practice and regulatory barriers to international expansion, reducing the time, cost and risk of doing business overseas.

In 2016–17, Austrade provided 11,126 general and tailored services to 5,082 Australian organisations to help them access opportunities identified by Austrade and others.

Austrade provides quality referrals to third-party professionals and business service providers when they are better placed to assist Australian organisations with a specific need. In 2016–17, Austrade provided 680 referrals to 515 Australian organisations.27

Austrade’s Advisory Services and Consumer team provides practical advice to help Australian companies assess their international readiness, and to guide them through their options as they pursue international markets for their products and services. In 2016–17, the Advisory Services and Consumer team delivered export advice through 9,669 emails and 4,652 phone calls. This led to 303 new client contacts and 463 internal referrals for further assistance to Austrade’s global network.

Linking Australian and international innovation ecosystems

To drive the growth of the Australian innovation ecosystem, Austrade mapped and engaged with sector-focused innovation ecosystems in Australia and key overseas markets. Through its global network, Austrade is facilitating introductions for Australian startups, scale-ups and innovative companies into incubator or accelerator programs, venture capital networks, research and development partner organisations, universities, global platforms and global value chains of multinational corporations.

October 2016 saw the launch of BioBridge, an initiative designed to create new connections between the Australian and United States medtech sectors. Facilitated by Austrade, the initiative included the development of partnerships with the Texas Medical Center (TMC), the largest medical complex in the world. The first outcome of this initiative saw the Health Informatics Society of Australia partner with TMC, leading to Australian digital health startups taking part in TMC’s accelerator program, TMCx, in February 2017. A second cohort of medical technology companies, supported through a partnership between AusBiotech and TMC, will take part in TMCx in September 2017.

Over the medium term, BioBridge will enable new connections to support collaborations in research, clinical trials and commercialisation partnerships in medical devices, diagnostics and digital health. Long-term opportunities exist to collaborate with TMC to create regional innovation hubs that will attract investment and talent and incubate companies in Australia.

27 In 2016–17, these figures are attributed to ‘Australian organisations’, as opposed to ‘service providers’, which was the term used in previous years.
Achieving outcomes in global value chains

Austrade’s whole-of-industry and government cross-sector advanced manufacturing strategy continued to deliver outcomes and was shortlisted for the 2016 Trade Promotion Organization network awards. Austrade assists many large and multinational companies to tackle innovation and technological advancement by connecting companies to solutions that meet the needs within their value chains. The strategy is centred on introducing Australian suppliers across the mining, automotive, aerospace, marine and defence sectors into the global value chains of major multinational corporations. It also helps identify new applications for Australian solutions in different industries and markets, such as applying automotive technologies for aerospace customers in offshore markets.

As part of this strategy, Austrade continued to deliver the Mining Technology Access Program, which provides major foreign mining companies with access to proven Australian technologies and industry expertise. In 2016–17, Austrade worked extensively with a large mine in Latin America to provide Australian industry with 10 qualified commercial opportunities, and introduced over 40 Australian mining equipment, technology and services companies to key decision-makers. The mine has awarded millions of dollars in contracts to Australian suppliers, and figures may increase in the future.

In partnership with the Department of Defence, Austrade has established a close working relationship with Naval Group (formerly known as DCNS), a European leader in naval defence, with the aim of integrating Australian firms and capabilities into its value chains and attracting long-term investment into Australia. Work in this area included a substantial Australian presence at Euronaval, a trade show held in Paris, in October 2016, where Austrade facilitated over 90 meetings with European customers for 50 Australian organisations that attended.

This approach also facilitated greater engagement with Western European markets. The announcement of Naval Group (then DCNS) as the preferred supplier of the $50 billion SEA1000 future submarines contract represents substantial opportunities for Australian companies to enter the global value chains of not only Naval Group, but also its tier one and tier two suppliers in Australia and internationally across multiple sectors.

Facilitating business missions and events

Austrade facilitates a number of international business events, including market briefings, information sessions, minister-led business missions and tailored sectoral delegations to overseas markets, to directly connect Australian exporters and institutions with potential customers.

During 2016–17, Austrade facilitated 355 trade-related events, which included a number of outbound delegations, information sessions about the Export Market Development Grants scheme, and seminars on the free trade agreement program.

Austrade also facilitated a number of minister-led business missions. For more information, see page 70.

Growing Australian services engagement in Asia and the Pacific

Australia has one of the most services-intensive economies across Asia and the Pacific, providing significant opportunities for increased integration of Australia’s services sector into the global economy.

Austrade’s cross-sectoral services strategy focuses on using existing relationships with international customers to cross-sell
additional Australian value-added services and technologies. It also aims to assist Australian companies to establish a presence closer to global customer procurement and production hubs and facilitate access for Australian services and solutions onto global technology platforms.

As a subset of this cross-sectoral approach, Austrade has continued to support the international expansion of the financial services industry as a major contributor to the Australian economy. In 2016–17, a key theme for the sector was the development of a Fintech Asia Passport. This Austrade-led concept is focused on assisting financial technology firms to overcome regulatory barriers across Asia, making the Asian market more scalable, and promoting Australia’s fintech capability, standards regulation and policies across the region.

Austrade also worked closely with the Department of Foreign Affairs and Trade to deliver the inaugural Fintech Regulatory Bootcamp in Singapore in October 2016. The bootcamp was attended by over 40 regulators from ASEAN, Australian industry, and representatives from the Australian Securities and Investments Commission, and led to consideration being given for Australia leading the formation of a regional fintech association.

Separately, Austrade has been supporting Australian screen organisations, with a particular focus on opportunities in China and Korea. Austrade has been working with Screen Australia, Ausfilm, Screen Producers Australia and other industry organisations to promote awareness of the Australian industry offshore, including by publishing a Screen Production industry capability report. It was translated into Mandarin for a visit by members of the sector to China for the Beijing International Film Festival in April 2017.

**Highlighting Australia’s export capabilities**

A core activity for Austrade is demonstrating Australia’s comparative advantages to overseas customers. Austrade has developed a library of industry capability reports that are used to promote Australia’s industry sector strengths and capabilities to potential customers. Austrade has 50 industry capability reports within its library, including its three most recent reports—Cyber Security; Aviation Education and Training; and Microgrids, Smartgrids and Energy Storage Solutions.

Austrade also connects customers and exporters through its Australian Suppliers Directory, a web-based tool available at austrade.gov.au, to promote Australia’s high-quality products, services and solutions. This database allows customers to search through 6,800 Australian exporting organisations, across 17 industries, by keyword, sector or company name.

<table>
<thead>
<tr>
<th>Overall services provided by Austrade to Australian exporters(a)</th>
<th>Email and phone enquiries received through Austrade’s Advisory Services and Consumer team</th>
<th>Industry capability reports available through Austrade’s website</th>
<th>Organisations listed in Austrade’s Australian Suppliers Directory</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,297</td>
<td>14,321</td>
<td>50</td>
<td>6,800</td>
</tr>
</tbody>
</table>

(a) This figure includes general and tailored services, sales leads, referrals, and minister-led mission delegate registrations.
Austrade helps turn opportunities into reality in aged care

With expertise in health and aged care delivery, Australia is well placed to meet the booming demand in this sector. This demand has been driven by factors such as population ageing, rising rates of chronic disease and an increasing number of middle-class consumers seeking access to quality care.

Austrade has developed close working relationships with a growing number of health and aged care services companies. This, teamed with a strong understanding of local markets and health systems, is helping to create opportunities for Australian companies to develop partnerships across Asia.

Sapphire Group, a senior living, home care and nursing care provider based in Victoria, has worked closely with Austrade and the Victorian Government. In May 2017, Sapphire Group signed a joint venture agreement with a subsidiary of the Hong Kong–listed Fosun Group. The group will operate a new aged care project in Beijing that will be managed under Australian quality standards and will help meet the culture and care needs of China’s high-end senior living market.

Both organisations participated in the first Australia–China Aged Care Summit, organised by Austrade, in Beijing in November 2015, meeting during business networking sessions held at the event. Australia Week in China, held in April 2016, presented another opportunity for the two organisations to further strengthen their relationship and discuss commercial opportunities.

Partnerships like this will help governments and private providers to meet the challenges of the health and aged care sector, with the need for health, aged care and lifestyle services greater than ever before.

Members of Sapphire Group and Fosun Group at the signing of their joint venture agreement in Shanghai in May 2017. Seated L–R: Mr Ernest Medina, Managing Director of Sapphire Care Pty Ltd, and Mr Ping Gong, Executive Director and Senior Vice President of Fosun Group. Photo: Fosun Group.
Connecting Australia through e-commerce

In 2016–17, Austrade expanded its cross-border e-commerce focus on food and consumer products to include Australian service and technology companies that provide solutions for overseas platforms and retailers, or that help Australian brands sell overseas.

Austrade also signed a strategic collaboration agreement with Alibaba (Australia and New Zealand), China’s largest online retailer. The two-year agreement will promote Australian products on Alibaba-operated e-commerce and media sites, and will provide streamlined access to Alibaba services for Australian companies and startups. Under the agreement, Austrade and Alibaba will co-develop a marketing plan to promote new Australian products, with a focus on fresh and perishable produce.

Alibaba will create a dedicated promotional channel for Australian companies on youku.com, a video sharing website with 500 million active users. The agreement also includes training of Australian small to medium-sized enterprises, inbound tourism payments and ‘AliLaunch’, a program that will use Alibaba’s cloud computing platform to help companies commercialise in China.

Approving exemptions under section 23AF of the Income Tax Assessment Act 1936

Supporting the work of the Australian Taxation Office, Austrade has the delegation to determine approved project status under section 23AF of the Income Tax Assessment Act 1936. This allows individuals who worked overseas on an approved project, for a continuous period of at least 91 days, to be exempt from Australian income tax. While Austrade approves project applications, the granting of the exemption rests with the Australian Taxation Office.

This exemption typically applies to projects in countries where individuals do not pay income tax, or where income tax is not levied on foreign workers because the project is funded by an international development agency (such as the World Bank). It can enhance the competitiveness of international tender bids by Australian organisations, as well as strengthen Australian companies’ capabilities, broaden employees’ skills, and raise the international profile of Australian industry.

In 2016–17, Austrade granted 82 approvals in response to 83 applications from 21 applicants. This compares to 85 approvals, 85 applications and 20 applicants in 2015–16.

Approved projects were located in the following regions:

- Middle East—36 (44 per cent)
- Indo-Pacific—32 (39 per cent)
- Africa—12 (15 per cent)
- Central Asia—2 (2 per cent).

In 2016–17, 37 approved projects (45 per cent) were commercially funded, while the remaining 45 (55 per cent) were funded by international development agencies.

Austrade’s TradeStart network

Austrade’s network of 28 TradeStart offices broadens the reach of the agency’s trade and education promotion services, with a strong emphasis on regional Australia.

The network is jointly delivered by state, territory and local governments, industry associations and chambers of commerce, with each partner carefully selected through a tender process. The next tender process will occur during 2017–18. To complement the delivery of Austrade services, TradeStart partner organisations offer assistance for exporters and potential exporters via a local
Craig Ford
TradeStart Adviser, Gold Coast

Craig Ford is an export adviser on the Gold Coast. He provides practical advice to local business as part of Austrade’s TradeStart network. Craig works with business across a range of sectors, including mining, technology, health, marine, food, consumer and services.

Prior to joining TradeStart four years ago, Craig gained hands-on experience at the University of Queensland’s ilab incubator in the startup phase of his business.

‘The Gold Coast is a high-energy, small business city with a great entrepreneurial mindset. The TradeStart role is a very privileged position which I enjoy immensely, allowing me to work alongside and participate in the export growth of businesses across a wide range of industry sectors’, said Craig.

Craig also assists Australian exporters to sell online through websites and e-commerce platforms. In 2017, Craig brought together the City of Gold Coast and Austrade’s overseas network to deliver a series of in-depth workshops to local exporters about how to get started selling online. He is also responsible for managing the delivery of the City of Gold Coast Council’s three annual trade missions, its Emerging Exporter training program and its Export Assistance Scheme for current and new exporters.

Craig holds a degree in international business from Griffith University.

achieving high standards of service

Each year, Austrade undertakes a comprehensive Service Improvement Study to assess its service delivery and identify areas to improve its services. The study is conducted independently and results are delivered quarterly. A brief follow-up survey is also conducted to measure the ongoing benefit of Austrade services, including commercial outcomes achieved 12 months after an interaction with Austrade.

In 2016–17, Austrade’s Service Improvement Study found 89 per cent of all clients were satisfied with their recent dealings with Austrade. Austrade’s net promoter score is +40 compared to +29 in 2015–16. These results show Austrade’s clients continue to value the services

adviser who can help them navigate overseas markets, and provide direct access to Austrade’s overseas network.

In 2016–17, Austrade opened a new TradeStart office in Bundaberg and reopened another office in Geelong, through support and funding provided by the Queensland and Victorian state governments.

The TradeStart team also continued its outreach on the benefits of free trade agreements and worked on more sophisticated, often multiple-market projects, with a range of small to medium-sized exporters. TradeStart locations and partner organisations are listed in Appendix A.
TradeStart and local exporters join forces to maximise FTA outreach

Toowoomba is fast becoming a regional export hub. Here, Austrade partners with the Queensland Government to deliver both state and federal government export assistance to local businesses through the TradeStart network, building strong relationships with other organisations to deliver a comprehensive suite of services to businesses.

In January 2017, Geraldine Doumany, TradeStart Adviser, Toowoomba, worked with the local Export Club, managed by Food Leaders Australia, as well as Toowoomba and Surat Basin Enterprise (TSBE), to deliver a free trade agreement (FTA) outreach seminar at Brisbane West Wellcamp Airport. Over 150 people attended, making it the largest FTA outreach event delivered by Austrade during the year.

‘The FTA seminar drew on the strengths of both organisations, and by partnering with Austrade, it allowed TSBE and Food Leaders Australia to share in an event that brought leading global trade advisers and political leaders to the region’, said Shane Charles, Executive Chairman of TSBE, the driving force behind Food Leaders Australia.

TSBE also received government assistance through the Free Trade Agreement Training Provider Grant program to deliver targeted FTA training to over 90 businesses in the region.

Almost half of the attendees were new to exporting, hoping to learn more about benefiting from Australia’s FTAs and the new international air freight services to Hong Kong that connect the region to Asia and the rest of the world. For more information on Austrade’s promotion of FTAs, see page 85.

Geraldine Doumany, TradeStart Adviser, and Pat Gleeson, General Manager, Oakey Beef Exports, speaking at the free trade agreement seminar at Brisbane West Wellcamp Airport in January 2017. Photo: Austrade.

it provides and are advocates for Austrade in their business networks.

This survey also collected detailed feedback on Austrade’s performance, including the following results:

- 87 per cent of all clients said they achieved a commercial outcome within 12 months of working with Austrade.
- 76 per cent of trade clients rated the contribution Austrade has made to their international business activities over the past 12 months as either positive, significant or critical.
- 80 per cent of all clients who were charged for Austrade services thought the services represented value for money.
Figure 13 shows clients’ ratings of Austrade’s services over the past five years.

The effectiveness of Indonesia Australia Business Week (IABW), which was held in March 2017, was evaluated through an independently run survey. Participants’ overall satisfaction with the mission was very high, with 99 per cent rating Austrade positively, and 90 per cent expecting to achieve a commercial outcome from the mission. For more information on IABW, see pages 72–3.

In addition to formal surveys, Austrade closely monitors compliments and complaints received from clients and other stakeholders. In 2016–17, Austrade received 17 formal complaints about its services, compared to 15 in 2015–16. A complaints handling procedure ensures all complaints are addressed by the relevant area or raised with senior management in Australia for timely resolution. Along with all complaints, an indicative sample of around 100 compliments is provided to the Austrade Executive Group on a quarterly basis. All feedback received is used to review and modify service delivery and to identify issues of importance to Austrade’s stakeholders.

In 2016–17, staff were updated on Austrade’s eligibility processes, eligibility checking processes were strengthened, and new tools and guidance were provided to staff to help reinforce expected business practice.

Further integration of Austrade systems, including its customer relationship management database and website, is helping Austrade better manage

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**Challenge: Survey fatigue in the business community**

Market researchers around the world are grappling with declining survey responses as they fight for attention in the increasingly crowded world of digital communications. In this environment, Austrade is experiencing variable and sometimes declining response rates to some of its surveys. While still achieving statistically significant results, fewer survey responses overall challenges Austrade’s ability to analyse results at a more granular level.

To manage this risk, Austrade is working with its market research provider to monitor survey responses and adapt its approaches to collecting feedback on its services. Online surveys can now be completed on mobile devices, greatly improving the ability of users to provide feedback. In addition, in recent years, survey questionnaires were shortened to minimise the time impost on those providing feedback.

As Austrade’s key performance measure of client satisfaction is derived from the Service Improvement Study, other surveys are timed so as to avoid conflict with this priority study. Austrade also manages sample lists carefully so individuals are not asked to complete more than one survey within a set timeframe.

Longer term, Austrade will continue to explore ways to maintain its high response levels and leverage technology to try to reduce the burden on respondents.

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89% of all clients were satisfied with Austrade’s services in the past year

87% of all clients achieved a commercial outcome within 12 months of working with Austrade

80% of all clients rated Austrade’s paid services as good value for money

76% of trade clients said Austrade made a positive contribution to their business
its client engagement and improve its service delivery. Increased use of data analytics allows Austrade to better understand its client and investor engagements, as well as assess its performance and the effectiveness of its strategies.

Austrade’s Service Charter can be found on austrade.gov.au and also at Appendix B.

Promoting Australia through online channels, media and marketing

Austrade promotes Australia as a trading partner and a destination for international study, foreign investment and tourism through a number of online channels, as well as through media and marketing. This work underpins Austrade’s value to Australian businesses, international investors, and the education and training and tourism sectors.

Austrade online

In 2016–17, there were more than 2.2 million visits to Austrade’s website, austrade.gov.au, resulting in more than 6.1 million page views.

Approximately 40 per cent of traffic to the Austrade website came from overseas users seeking information about Australian organisations, their products and services, or inward investment opportunities. The majority of visits to the website continue to come via organic search, with an increasing amount of traffic referred by electronic direct mail and social media activity.

During 2016–17, 75 per cent of user sessions on the Austrade website were via desktop, 20 per cent via mobile devices, and 5 per cent via tablet devices. The segment of users accessing the website via mobile and tablet devices is increasing. Consistent with the Digital Transformation Agency’s standard, all of Austrade’s major online design and architecture projects are designing for ‘mobile first’.

Figure 13: Clients’ ratings of Austrade’s services, 2013 to 2017

Note: Due to rounding, components do not add up to 100 per cent, and ‘extremely good’, ‘very good’ and ‘good’ percentages may not add up to the combined percentages given above the columns. Figures for the Service Improvement Study are collected over the financial year and released annually.
Throughout the year, a review was undertaken to improve the information architecture and visual design of the export market and related industry opportunity section on the Austrade website. This content is frequently visited by Australian users, with 950,000 visits per year, and was redesigned with a ‘mobile first’ objective to provide better spotlighting of content areas and better usability on mobile devices.

**Media**

Austrade’s media team provides high-level media support to the agency’s executives, Australian and international networks and government ministers through a number of services, including media releases, thought leadership pieces and speechwriting, as well as issues management.

In 2016–17, Austrade provided media support, including preparing speeches, remarks and media releases, for international visits by the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, and the Hon Keith Pitt MP, Assistant Minister for Trade, Tourism and Investment.

Austrade’s media team also provided media support to the free trade agreement outreach program, Tourism Research Australia, Landing Pads, the Australian Export Awards, the Trade and Investment Ministers Meeting, and the Tourism Ministers Meeting.

**Social media**

Austrade uses social media to extend brand equity and distribute information about Australian capabilities to targeted international audiences, strengthening the impact of traditional promotional activities like trade missions and events. Social media is particularly useful during minister-led business missions to create a visual narrative by sharing images, key messages and market information, both in Australia and internationally.

In 2016–17, social media content was delivered via 19 Twitter accounts, 2 LinkedIn company pages, 10 LinkedIn groups, 5 Facebook pages, 3 YouTube channels, 1 Weibo and 1 WeChat account. These Austrade-owned channels garnered a social media audience of more than 470,000 followers.

### Social media highlights

- **Content pushed out from Austrade’s LinkedIn company page** generated over 1.1 million impressions and almost 9,000 interactions. People visited the Austrade page more than 37,000 times during 2016–17.

- **Austrade’s Twitter account** grew by almost 3,000 followers in 2016–17. Tweets from this account garnered more than 850,000 impressions, 4,500 interactions, 3,000 mentions and over 50,000 profile visits. The highest performing tweet achieved more than 17,000 impressions, 267 link clicks, 68 retweets and 66 likes.
Brand Australia program

Australia’s nation brand—Australia Unlimited—provides a confident, contemporary and consistent representation of Australia’s broad capabilities. Exporters, startups, small to medium-sized enterprises, education institutions and students can benefit from a strong nation brand. Australia Unlimited assets, including its visual brand mark and digital publishing platforms, continue to support the whole-of-government approach to enriching and enhancing Australia’s international reputation as a global business partner and citizen.

In 2016–17, a series of videos was developed showcasing Australian innovation and capability in food and agricultural technology, medical technology, services and technology, and advanced manufacturing. The videos were produced in English, simplified Chinese, Japanese, Korean, Portuguese and Spanish and can be viewed on the Australia Unlimited website, australiaunlimited.com, and the Austrade website, austrade.gov.au.

Artwork for a series of Australia Unlimited posters promoting Australian capabilities, such as medical technology, renewable energy, startups and digital technology, was also developed and is available for download from Austrade’s creative library, ibrand.

Fifty-five new stories profiling Australians and Australian achievements were published under a Creative Commons licence on a number of digital platforms, including both the Australia Unlimited and Austrade websites, as well as Austrade’s social media accounts on Facebook, LinkedIn and Twitter. The Brand Australia program continues to work closely with partner agencies, such as the Department of Foreign Affairs and Trade, Tourism Australia and CSIRO, to extend the reach of Brand Australia initiatives, including the distribution of Australia Unlimited stories.

Brand Australia’s increased efforts on social media, combined with successful campaigns on Twitter, Facebook and LinkedIn, led to an increase of social media followers from 20,625 to 23,946—up 16 per cent. To further increase international awareness of Australia’s commercial, intellectual and creative credentials, a social media campaign was run in China, India, Indonesia, Japan, South Korea, the United Kingdom and the United States. The campaign
ran for almost two weeks and delivered an increase of 1,000 per cent in traffic to the Australia Unlimited website, with India and Indonesia the best performing markets. The campaign delivered 56,412 website sessions to the Australia Unlimited website—the average monthly number of website sessions prior to the campaign was 9,700.

Australian Export Awards

The 54th Australian Export Awards, held in Brisbane at the Royal International Convention Centre in November 2016, was attended by 500 industry and government representatives.

The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, hosted the awards ceremony where 81 finalists were recognised for their international business success. The national finalists progressed as winners from the eight state and territory export award programs, having generated more than $12.3 billion in export sales in 2015–16 and provided employment for more than 34,500 staff.

Envato, an operator of an online marketplace for digital content, was selected from the 12 national category winners to be named the Australian Exporter of the Year. Boeing Australia was also recognised for its contribution to the Australian economy, receiving the inaugural Minister for Trade, Tourism and Investment’s Investment Award.

ANCA, an Australian manufacturer of computer numerical control tool and cutter grinders, entered the Australian Export Awards Hall of Fame for winning the national manufacturing award on three occasions over its 40-year export journey.

During the ceremony, Austrade, in partnership with Chief Executive Women, announced the launch of a Women in Export Scholarship. This scholarship provides a female leader in international business the opportunity to attend Harvard Business School’s Disruptive Innovation—Strategies for a Successful Enterprise program. The program will be delivered in Boston, Massachusetts, in July 2017. The winner of the scholarship, Dr Noelle Sunstrom from NeuClone Pty Ltd, was announced in June 2017.

Preceding the ceremony, the national finalists participated in a morning masterclass, which focused on the geopolitical events impacting the international economy. Alan Dupont, CEO, Cognoscenti Group; Teresa Engelhard, board member, StartupAUS; and Tony Oakes, Director, Rubicon Water, addressed the audience in a panel discussion moderated by Mark Thirlwell, Austrade’s Chief Economist.

The 54th Australian Export Awards program was presented by Austrade, the Australian Chamber of Commerce and Industry and CPA Australia. Austrade thanks its sponsors for their support and acknowledges the work of the following state and territory export award programs, which underpin these national awards:

› ACT Chief Minister’s Export Awards—delivered by the Canberra Business Chamber on behalf of the Australian Capital Territory Government

› Premier’s NSW Export Awards—delivered by the Export Council of Australia with principal partner, the New South Wales Government

› Chief Minister’s Northern Territory Export and Industry Awards—delivered by the Chamber of Commerce Northern Territory on behalf of the Northern Territory Government
Purpose 1: Develop international markets

Program 1.1

Report on performance

Premier of Queensland Export Awards—delivered by the Export Council of Australia on behalf of Trade & Investment Queensland

Business SA Export Awards—delivered by Business SA

Tasmanian Export Awards—delivered by the Department of State Growth

Governor of Victoria Export Awards—delivered by the Department of Economic Development, Jobs, Transport and Resources

Western Australian Industry and Export Awards—delivered by the Export Council of Australia on behalf of the Western Australian Government.

The 54th Australian Export Awards winners

Australian Exporter of the Year Award
Envato (VIC)

The Minister for Trade, Tourism and Investment’s Investment Award
Boeing Australia (VIC)

Agribusiness Award
Australian Honey Products Pty Ltd (TAS)

Business Services Award
Incat Crowther (NSW)

Creative Industries Award
Cutting Edge (QLD)

Digital Technologies Award
Envato (VIC)

eCommerce Award
Freelancer.com (NSW)

Education and Training Award
iSimulate (ACT)

Environmental Solutions Award
Sentek Technologies (SA)

Health and Biotechnology Award
Ego Pharmaceuticals (VIC)

Manufacturing Award
Aim Lab Automation Technologies (QLD)

Minerals, Energy and Related Services Award
Gekko Systems (VIC)

Regional Exporter Award
Almondco Australia Ltd (SA)

Small Business Award
Typefi Systems (QLD)

Pictured left, winners of the 54th Australian Export Awards, with the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment (centre), at the awards ceremony held in Brisbane in November 2016; and right, Mr Ciobo presenting Dr Vahid Ta’eed, Executive Director, Envato, with the Australian Exporter of the Year award. Photos: Eddie Safarik.
Working across government and with partners

Austrade provides a global and commercial perspective in its policy advice to government. The agency’s insights are informed by its presence in the commercial capitals of international markets. Through its people, in-house economic research and analysis, access to firm-level commercial knowledge, and partnerships with other Australian Government agencies, state and territory governments, and industry stakeholders, Austrade can distil insight in a way that is informed and relevant to the audience.

Austrade uses the intelligence and insights gained from its network and interactions with investors, exporters and customers to inform and contribute to Australian Government policymaking. In particular, Austrade works across government to coordinate and provide input into domestic reforms to make the Australian tourism industry and education sector more competitive, while feedback from its large offshore network enables Austrade to help shape Australia’s export and investment agendas.

Austrade provides advice to government directly through the Minister for Trade, Tourism and Investment, and through officials-level forums with a broad range of Australian Government and state and territory government departments responsible for, or with an interest in, trade, tourism, investment and international education.

Working across government

Austrade manages a series of cross-jurisdictional forums with Australian state and territory ministers and officials to coordinate trade, tourism, investment and international education activities.

The Senior Officials Trade and Investment Group and the Australian Standing Committee on Tourism meet biannually and support high-level ministerial meetings. Co-chaired by executive directors from Austrade and deputy secretaries from the Department of Foreign Affairs and Trade, and attended by state and territory counterparts, the Senior Officials Trade and Investment Group met once and the Australian Standing Committee on Tourism met twice in 2016–17. These meetings focused on giving effect to the outcomes and decisions arising from the Trade and Investment Ministers Meeting and the Tourism Ministers Meeting, coordinating trade, tourism and investment policy and promotion, and sharing better practice among jurisdictions.

At a ministerial level, Austrade continued to support the Trade and Investment Ministers Meeting and the Tourism Ministers Meeting. Chaired by the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, and attended by the Minister’s state and territory counterparts, the Trade and Investment Ministers Meeting met once and the Tourism Ministers Meeting met twice in 2016–17. Topics discussed included export and investment opportunities within global value chains, promoting the benefits of trade and foreign direct investment, the Tourism 2020 strategy, the China–Australia Year of Tourism 2017, and implementation plans for the Regional Tourism Infrastructure Investment Attraction Strategy.

These ministerial meetings and senior officials groups also provide strategic direction to the operationally focused National Trade Working Group, the National Investment Advisory Board, and the Tourism Access Working Group. Chaired by Austrade, these forums provide opportunities
for Commonwealth, state and territory practitioners to collaborate on trade, tourism and investment policy and promotional activities, and improve access throughout the tourism sector through aviation policy, visa reform and visitor experience. The National Trade Working Group and the National Investment Advisory Board each met twice, and the Tourism Access Working Group met once in 2016–17.

Austrade continued to chair the International Education Marketing Forum with states and territories. The forum met twice in 2016–17. The forum’s objective is to coordinate and maximise efforts across jurisdictions to market and promote Australian education internationally—a key theme arising from the Australian International Education 2025 strategy.

**Working with partners and the business community**

Austrade also works collaboratively with other organisations to help increase its reach into the business community.

Austrade has a longstanding working relationship with the Export Finance and Insurance Corporation (Efic). Austrade and Efic share a common objective—assisting Australian small to medium-sized enterprises (SMEs) to expand into international markets. Austrade and Efic cross-refer clients and co-host events to promote export opportunities, and a number of Efic staff members are co-located in Austrade’s state offices, including two staff based in Adelaide, three in Brisbane, four in Melbourne and two in Perth. In recent years, Austrade has also partnered with Efic in the delivery of onshore events for Australian SMEs, such as Operating in Asia forums and the Following Your Customer to Market series. Efic is closely involved in Austrade’s minister-led business missions, is a platinum sponsor of the Australian Export Awards, and is a contributor to Austrade’s free trade agreement seminar series.

Together with Efic, Austrade also partners with the Export Council of Australia and the University of Technology Sydney Business School to conduct the annual Australia’s International Business Survey, which is one of the largest and most in-depth surveys of its kind. For more information on the survey, see page 54.

Austrade also works closely with industry bodies to extend trade and investment relationships in overseas markets. In April 2017, a small delegation from Infrastructure Partnerships Australia and Austrade visited Hong Kong and Beijing to meet with major infrastructure investors and constructors. The meetings provided an opportunity to discuss the development of infrastructure in Australia and China, showcase the pipeline of infrastructure projects on the Australia and New Zealand Infrastructure Pipeline, and discuss Chinese expertise, particularly in road and rail projects across China.

**Supporting new policy initiatives**

During 2016–17, Austrade contributed to new government policy initiatives, including the Australian Government’s National Innovation and Science Agenda. As part of this initiative, Austrade established five Landing Pads in global innovation hotspots to support market-ready startups, launching the final three Landing Pads in Shanghai, Berlin and Singapore in 2016–17, adding to those already opened in San Francisco and Tel Aviv during 2015–16 (see page 88).
Austrade assisted Innovation and Science Australia (ISA) in the development of ISA's 2030 Strategic Plan for Australia's innovation, science and research system. Austrade seconded an officer to a taskforce to develop the plan, providing insights from an export and investment perspective. The ISA plan is scheduled for release in late 2017.

Austrade has also seconded an officer to a taskforce in the Department of the Prime Minister of Cabinet to assist with preparations for the ASEAN–Australia Special Summit to take place in Sydney in March 2018. Austrade, with the Department of Foreign Affairs and Trade, is updating the popular Why ASEAN and Why Now publication for the business summit, one of the key lead-in events.

Austrade provided advice to the Department of Immigration and Border Protection as part of its review of visa policy settings in relation to the competitiveness of Australia's tourism and education sectors and the attraction of high-value foreign direct investment, including through the investor visa frameworks.

As part of a $16.6 million funding package provided in the 2016–17 Budget, Austrade will continue to deliver seminars to promote awareness of the business opportunities created by Australia’s free trade agreements.

Development of a foreign policy white paper commenced in December 2016, with the Hon Julie Bishop MP, Minister for Foreign Affairs, and the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, launching the process. Austrade has been working closely with the Department of Foreign Affairs and Trade on its development. The white paper will serve as a roadmap for the Australian Government’s international engagement over the next decade.

**Organising minister-led business missions**

Minister-led business missions continue to play an important role in promoting Australian export capabilities and investment opportunities. Austrade plays a central role in coordinating Commonwealth and state and territory government participation in the development and implementation of business programs to showcase Australian capability in key international markets.

During 2016–17, Austrade coordinated seven minister-led business missions, which included a significant Australia Week promotion in Indonesia in March 2017. This brings the total number of minister-led business missions organised by Austrade since March 2014 to 35 (Table 9).

While these large-scale events have been successful in promoting Australia’s interests and delivering market insights to large numbers of delegates, research has shown repeating the model for future events in these markets is likely to have less commercial impact. In response, during 2016, Austrade revised Australia Week events to be smaller in scale, sector-specific and focused on driving commercial outcomes through tailored business matching opportunities.

Research also measured delegate satisfaction levels around the focus and delivery of the missions, as well as testing if objectives for participation were met. Results for this period reflect consistently high levels of satisfaction across all measures, including following the move to deliver smaller scale, sector-specific missions.
Table 9: Minister-led business missions, March 2014 to June 2017

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<td>Minister-led business missions</td>
<td>7</td>
<td>14</td>
<td>7</td>
<td>7</td>
<td>35</td>
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<tr>
<td>Companies represented</td>
<td>644</td>
<td>532</td>
<td>1,213</td>
<td>176</td>
<td>2,565</td>
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<tr>
<td>Delegates who attended</td>
<td>859</td>
<td>674</td>
<td>1,658</td>
<td>196</td>
<td>3,387</td>
</tr>
<tr>
<td>Companies registered on Austrade’s online business missions register&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>429</td>
<td>538</td>
<td>695</td>
<td>780</td>
<td>780</td>
</tr>
</tbody>
</table>

(a) Data in this row represent cumulative totals year-on-year.

Note: During the year, Austrade revised its methodology for counting the number of delegates participating in minister-led business missions, and now reports the number of delegates who attended the missions rather than those who registered to attend. In line with this change, figures for previous years have been adjusted in this table.

**Iran**

In September 2016, the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, led a business mission to Iran. The visit provided delegates with a broad understanding of the opportunities and challenges of doing business in Iran. The visit followed the lifting of sanctions against Iran and provided delegates with an opportunity to engage with the market in areas such as water management, food and agribusiness, education and training, health and medical services, mining, oil and gas, and tourism.

**Indonesia**

In March 2017, Mr Ciobo led a large business delegation to Indonesia for Indonesia Australia Business Week. Delegates participated in tailored industry programs covering food and agribusiness supply chains, financial services and technologies, resilient cities, vocational education and training, and tourism promotion and destination development. For more information on Indonesia Australia Business Week, see pages 72–3.

**China**

In February 2017, Mr Ciobo led a business mission to China to celebrate the China–Australia Year of Tourism 2017. He was accompanied by a delegation of CEOs from the aviation and tourism sectors, including key international gateways and selected regional airports. Engagement with Chinese stakeholders helped to underpin and expand the already strong commercial tourism and trade connections between Australia and China.

**Israel**

In April 2017, the Hon Josh Frydenberg MP, Minister for the Environment and Energy, led a delegation to Israel to enhance innovation and boost trade and investment between Australia and Israel, with an emphasis on collaboration in the environmental, renewable and clean technology sectors. Participating technology companies and startups were provided with a unique opportunity to gain insights into the Israeli innovation ecosystem and to attend a week-long curated program at the Landing Pad in Tel Aviv.
Indonesia Australia Business Week

In March 2017, the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, led a major trade mission of 123 Australian business delegates to Indonesia for Indonesia Australia Business Week (IABW). Events were delivered across five locations—Jakarta, Surabaya, Malang, Lombok and Denpasar. Five sectoral streams—vocational education and training; tourism; financial services and technology; water and sustainable urban design; and agribusiness supply chains—matched Australian expertise to commercial potential in Indonesia.

The Hon Malcolm Turnbull MP, Prime Minister, and a number of other Australian Government and state government ministers also participated in IABW, as well as 980 Indonesian customers. IABW provided many opportunities to profile Australian export capability and investment opportunities, and for attendees to meet and network with Australian delegates.

IABW was officially opened by a gala dinner, which was attended by around 480 guests, and featured successful partnerships between Australia and Indonesia, including the Northern Territory Cattlemen’s Association Pastoral Program, Pod Chocolate, and the West Australian Ballet and Ballet.id.

The IABW program included a strong focus on innovation, with the financial services and technologies stream introducing Australian financial technology innovation and capability to Indonesia’s budding financial and venture capital scene. The Innovation Showcase, a program highlight, gave Australian delegates a high-profile platform to pitch directly to Indonesian venture capital firms and banks.

Japan

In April 2017, Mr Ciobo led a delegation to Japan. Delegates participated in events that showcased Australian expertise across the food and beverage, financial services and life sciences sectors. The visit included bilateral meetings and a number of business-focused events designed to promote Brand Australia and advance Australia’s business interests in Japan.

Saudi Arabia

Also in April 2017, Mr Ciobo led a business delegation to Saudi Arabia to explore opportunities for Australian trade and investment, particularly in the defence, mining and financial services sectors. The program included a series of meetings, business briefings and networking opportunities for delegates to meet with Saudi government and industry representatives in each of the sectors.

7
minister-led business missions organised by Austrade in 2016–17

176
companies represented on the missions

196
delegates attended the missions

780
companies registered on Austrade’s online minister-led business missions register
Building on the success of IABW 2015, the 2017 program delivered smaller and more focused events for each sector, creating more opportunities for delegates to network with Indonesian customers. This revised approach was well received, with delegates reporting a high degree of satisfaction through an online survey conducted at the conclusion of the program.

Eighty-three per cent of respondents reported most or all of their objectives for participation in IABW had been met, with the same number indicating they achieved or expected to achieve a new business relationship in the next three months. All respondents thought participating in IABW had delivered an advantage to their organisation, and 79 per cent said they expected to return to Indonesia to follow up on opportunities identified during IABW in the next 6 to 12 months. The additional comments provided by delegates were very positive, with one delegate adding, ‘this is really what government support for business is all about’. This view was echoed by other participants, with 99 per cent rating Austrade’s performance as either extremely good, very good or good.

**United States**

In May 2017, Mr Ciobo led a delegation to the 20th Milken Institute Global Conference, held in Los Angeles. The conference provided an opportunity for delegates to engage with business and government leaders from a wide range of countries and industry sectors, and to raise Australia’s profile as a sophisticated and technologically advanced economy.

**Supporting visits by foreign government officials**

As well as providing support for overseas visits by Australian ministers, Austrade continued to support visits to Australia by a diverse range of foreign government officials throughout the year. These visits included:

- guest of government visits by His Excellency Lee Hsien Loong, Prime Minister of Singapore; His Excellency Joko Widodo, President of Indonesia; and a visit by His Excellency Benjamin Netanyahu, Prime Minister of Israel
- guest of government visit by His Excellency Shinzo Abe, Prime Minister of Japan. Austrade coordinated a business event for the Japanese delegation and Australian companies
- guest of government visit by Dr Li Jinzao, Chairman, China National Tourism Administration, to mark the commencement of the China–Australia Year of Tourism 2017
- state visit by His Excellency Li Keqiang, China’s Premier, to Canberra and Sydney. Austrade supported the program, which included a state lunch at Parliament House and the signing of several memorandums of
understanding. Austrade was also a supporting partner of the Australia China Economic and Trade Cooperation Forum attended by Premier Li, the Hon Malcolm Turnbull MP, Prime Minister, and the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment.

› Her Excellency Gabriela Michetti, Vice President of Argentina, who visited Australia with the Secretaries for Commerce, Industry, Agriculture and Mines. The visit program included a roundtable with Austrade senior executives and the CEO of the Argentine Investment and Trade Promotion Agency, and members of the Argentine delegation.

› Jean-Marc Ayrault, French Minister for Foreign Affairs and International Development, and a business delegation arranged by MEDEF, France’s largest employer federation, who returned to Australia to enhance the strategic partnership between Australia and France following a successful visit in 2016.

› His Majesty King Willem-Alexander and Queen Máxima of the Netherlands, who visited Australia with a business delegation focused on smart cities, agribusiness, life sciences and health.

› the Chilean Ministers for Mining and Transport, who attended the Australia–Chile Economic Leadership Forum in Melbourne.

› high-level visits by the United States Vice President; Vietnamese Foreign Minister; Iranian Deputy Foreign Minister; Hungarian Minister for Foreign Affairs and Trade; Italian Deputy Minister for Economic Development; and Secretary-General of the European Bank for Reconstruction and Development.

› visits by senior officials from Singapore, Serbia, Georgia, India, Mexico, Vietnam and Croatia—Austrade contributed to senior officials talks.

Services to government

Austrade’s CEO reports to the Minister for Trade, Tourism and Investment, with the Hon Steven Ciobo MP holding the position for the duration of the reporting year.28

In July 2016, the Prime Minister announced the appointment of the Hon Keith Pitt MP to the position of Assistant Minister for Trade, Tourism and Investment. He was sworn into the position on 19 July 2016.

Up until 19 July 2016, Senator the Hon Richard Colbeck held the position of Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment.

Austrade provided services to its Ministers throughout the year, including through the provision of departmental liaison officers in each office. Austrade reported on its progress towards achieving the Government’s objectives through regular reports and briefing material, and met with Ministers or their staff to give context to written briefs or discuss specific issues when required.

In 2016–17, Austrade produced 211 ministerial briefs and 266 ministerial submissions. Austrade also received 320 items of ministerial correspondence requiring a response, while a further 127 items of correspondence were processed for information.

Parliamentary inquiries and briefings

During the year, Austrade appeared before, or provided submissions to, the following parliamentary committees, inquiries or groups:

› Trade Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade and the Joint Select Committee on

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28 Mr Ciobo’s title changed from Minister for Trade and Investment to Minister for Trade, Tourism and Investment in July 2016.
Trade and Investment Growth—Austrade provided a briefing to both committees in November 2016

› Joint Standing Committee on Northern Australia inquiry into opportunities and methods for stimulating the tourism industry in northern Australia—Austrade contributed to a submission prepared by Tourism Australia in February 2017

› Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia’s trade and investment relationship with the United Kingdom—Austrade provided input to a Foreign Affairs and Trade portfolio submission in February 2017 and appeared before the Joint Standing Committee in March 2017

› Standing Committee on Foreign Affairs, Defence and Trade—Austrade, the Department of Foreign Affairs and Trade (DFAT) and Tourism Australia provided a briefing to members of the committee on the China–Australia Year of Tourism in March 2017

› Joint Select Committee on Trade and Investment Growth inquiry into Australia’s trade and investment relationship with Indonesia—Austrade provided a joint submission with DFAT, Tourism Australia and the Export Finance and Insurance Corporation in March 2017, and subsequently appeared before the Joint Select Committee in May 2017.

**Attached agency agreements**

Austrade administered a number of service level agreements with attached Australian Government agencies for the delivery of administrative support in Austrade-managed consulates-general in overseas locations. These included agreements with:

› Department of Foreign Affairs and Trade—Bogota, Houston, Istanbul and Ulaanbaatar

› Department of Immigration and Border Protection—Auckland, Dubai and Istanbul

› Department of Agriculture and Water Resources—Dubai

› Australian Criminal Intelligence Commission—Dubai (ceased December 2016)

› Australian Federal Police—Dubai.

Austrade also employed staff on behalf of a number of state or territory governments to deliver a mutually agreed business plan to support each state or territory’s trade, investment and education promotion activities in its respective markets. These included agreements with:

› New South Wales Department of Premier and Cabinet—trade and investment directors in Jakarta, Kuala Lumpur, London, Seoul and Singapore

› South Australian Department of State Development—business development or investment managers in Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Mumbai, Shanghai and Singapore

› Tasmanian Department of State Growth—senior business development manager in Shanghai

› Victorian Department of Economic Development, Jobs, Transport and Resources—education services manager in Bogota

› Northern Territory Department of Business—business development managers in Jakarta and Singapore.

Austrade delivers services to, and works with, these agencies and departments overseas to ensure government efforts are coordinated and targeted.
Purpose 1: Develop international markets

Program 1.2: Programs to promote Australia’s export and other international economic interests

Export Market Development Grants scheme

The Export Market Development Grants (EMDG) scheme is a financial assistance program for Australian small to medium-sized businesses. It provides an incentive for current and aspiring export-ready businesses to increase their international marketing and promotion expenditure to achieve more sustainable international sales. The EMDG scheme supports eligible applicants across all business models and industries.

EMDG scheme performance

The number of EMDG applications received in 2016–17 increased by 6.6 per cent, with 3,539 grant applicants compared to 3,321 applicants in 2015–16. Of this number, 1,260 were first-year applicants, which represents an increase of 5.7 per cent on the previous year. Seventy-one per cent of these first-year applicants were from the services sector.

Table 10 shows a total of 3,166 grants, worth $131.4 million, were paid to EMDG recipients in 2016–17, an increase of 3.5 per cent in grant numbers but the same total value of grant payments compared to 2015–16. This outcome follows decreases of 2 per cent in grant numbers and 7 per cent in grant payments in 2015–16.

Table 10: Payments to EMDG recipients, 2012–13 to 2016–17

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant recipients</td>
<td>2,757</td>
<td>2,445</td>
<td>3,137</td>
<td>3,059</td>
<td>3,166(a)</td>
<td>3.5</td>
</tr>
<tr>
<td>Value of grants ($ million)(b)</td>
<td>120.4</td>
<td>113.6</td>
<td>140.8</td>
<td>131.4</td>
<td>131.4(c)</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(a) Includes 2,999 recipients for the 2015–16 grant year and 167 recipients carried over from previous grant years.

(b) Includes grants paid from a previous grant year.

(c) Includes the value of grants for the 2015–16 grant year of $122.7 million, plus the value of 167 grants from previous years and supplementary payments to grant recipients from previous years. A total of $131.4 million was paid in grants from the 2016–17 Budget.

Note: Figures for value of grants have been rounded.
A total of 70 grants, worth $4 million, were made under the special ‘approved body’ category to non-profit, export-focused industry bodies that, while not exporting themselves, undertake export promotion on behalf of their industry or membership. This category includes industry associations and regional tourism bodies, and also firms cooperating in joint venture–style marketing arrangements.

Under the EMDG scheme, a ‘grant year’ is the financial year in which a grant applicant’s export promotion expenditure actually occurred. Almost all grants are paid to eligible applicants in the year after the grant year. However, in any financial year, there will be some grant payments that relate to earlier grant years. To allow a comparison between the number of recipients and applicants relating to the same grant year, Table 11 provides a profile of grants that were paid in 2016–17 to the 2015–16 grant year applicants only. A comparison to previous years is also provided.

The average grant paid in 2016–17 to 2015–16 grant year recipients was $40,921 (down 4 per cent) and the median grant was $32,202 (down 1 per cent). The scheme continued to provide strong support to regional and rural Australia, with 485 grants (down 5.8 per cent) paid to businesses in those areas. While the EMDG scheme supports a range of business types, companies are the dominant category. In the 2015–16 grant year, 91 per cent of EMDG recipients were in that category (Table 12).

### Table 11: Profile of EMDG applicants and recipients, by grant year, 2011–12 to 2015–16

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant applicants</td>
<td>3,045</td>
<td>2,715</td>
<td>3,195</td>
<td>3,321</td>
<td>3,539</td>
<td>+7</td>
</tr>
<tr>
<td>Assessed eligible grant demand ($ million)</td>
<td>113.5</td>
<td>106.6</td>
<td>143.6</td>
<td>142.2</td>
<td>143.1</td>
<td>+1</td>
</tr>
<tr>
<td>First-time grant applicants</td>
<td>913</td>
<td>842</td>
<td>971</td>
<td>1,192</td>
<td>1,260</td>
<td>+6</td>
</tr>
<tr>
<td>Total grant recipients</td>
<td>2,643</td>
<td>2,332</td>
<td>2,943</td>
<td>2,969</td>
<td>2,999</td>
<td>+1</td>
</tr>
<tr>
<td>First-time grant recipients</td>
<td>685</td>
<td>632</td>
<td>793</td>
<td>912</td>
<td>891</td>
<td>–2</td>
</tr>
<tr>
<td>Value of grants ($ million)</td>
<td>113.5</td>
<td>106.6</td>
<td>130.3</td>
<td>126.5</td>
<td>122.7</td>
<td>–3</td>
</tr>
<tr>
<td>Average grant ($)</td>
<td>42,950</td>
<td>45,708</td>
<td>44,270</td>
<td>42,607</td>
<td>40,921</td>
<td>–4</td>
</tr>
<tr>
<td>Median grant ($)</td>
<td>28,182</td>
<td>30,862</td>
<td>33,499</td>
<td>32,560</td>
<td>32,202</td>
<td>–1</td>
</tr>
<tr>
<td>Recipients from rural and regional areas(a)</td>
<td>562</td>
<td>478</td>
<td>441</td>
<td>515</td>
<td>485</td>
<td>–6</td>
</tr>
<tr>
<td>Value of exports generated by grant recipients ($ billion)</td>
<td>3.1</td>
<td>2.8</td>
<td>3.9</td>
<td>3.6</td>
<td>3.8</td>
<td>+6</td>
</tr>
<tr>
<td>Employees of recipients</td>
<td>85,964</td>
<td>59,227</td>
<td>62,931</td>
<td>59,790</td>
<td>57,183</td>
<td>–4</td>
</tr>
</tbody>
</table>

(a) The classification system used in classifying grant recipients as ‘rural and regional’ changed in the 2014–15 grant year to include any areas outside capital cities (whereas previously, large cities outside the capital cities were not classified as ‘rural and regional’).
Table 12: EMDG recipients by business type, 2015–16 grant year

<table>
<thead>
<tr>
<th>Business type</th>
<th>Number of recipients</th>
<th>Percentage</th>
<th>Total grants paid ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company incorporated in Australia</td>
<td>2,742</td>
<td>91</td>
<td>114.7</td>
</tr>
<tr>
<td>Partnership existing under Australian law</td>
<td>90</td>
<td>3</td>
<td>2.4</td>
</tr>
<tr>
<td>Individual</td>
<td>78</td>
<td>3</td>
<td>1.4</td>
</tr>
<tr>
<td>Approved body</td>
<td>60</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Cooperative/association</td>
<td>16</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>Body corporate for public purpose</td>
<td>9</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Approved joint venture</td>
<td>4</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,999</strong></td>
<td><strong>100</strong></td>
<td><strong>122.7</strong></td>
</tr>
</tbody>
</table>

Note: Percentages do not total 100 due to rounding. Similarly, the overall total value of grants paid does not match the sum of the components due to rounding.

Small exporters continue to be the largest category of EMDG recipients, with 74.5 per cent of 2015–16 grant year recipients reporting an annual income of $5 million or less (Figure 14), 76 per cent reporting fewer than 20 employees (Figure 15), and 75.5 per cent reporting export earnings of $1 million or less (Figure 16). A breakdown of EMDG recipients by state and territory is shown in Figure 17 and Table 13.

Figure 14: EMDG recipients by annual income, 2015–16 grant year

Figure 15: EMDG recipients by number of employees, 2015–16 grant year

Note: Percentages do not add to 100 due to rounding.
**Figure 16:** EMDG recipients by annual export earnings, 2015–16 grant year

- 3.6% Up to and including $1m
- 1.7% >$1m–$5m
- 0.8% >$5m–$10m
- 18.5% >$10m–$20m
- 57.1% >$20m

**Figure 17:** EMDG recipients by state and territory, 2015–16 grant year

- 1.5% NSW
- 1.4% VIC
- 0.3% QLD
- 9.5% WA
- 7.0% SA
- 13.1% ACT
- 36.1% TAS
- 31.1% NT

Note: Percentages do not add to 100 due to rounding.

**Table 13:** EMDG recipients by state and territory, 2014–15 and 2015–16 grant years

<table>
<thead>
<tr>
<th>State/territory</th>
<th>2014–15 grant year</th>
<th>2015–16 grant year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recipients</td>
<td>Payments ($m)</td>
</tr>
<tr>
<td>NSW</td>
<td>1,102</td>
<td>52.4</td>
</tr>
<tr>
<td>VIC</td>
<td>881</td>
<td>38.4</td>
</tr>
<tr>
<td>QLD</td>
<td>402</td>
<td>15.0</td>
</tr>
<tr>
<td>WA</td>
<td>272</td>
<td>10.1</td>
</tr>
<tr>
<td>SA</td>
<td>215</td>
<td>7.5</td>
</tr>
<tr>
<td>ACT</td>
<td>38</td>
<td>1.4</td>
</tr>
<tr>
<td>TAS</td>
<td>44</td>
<td>1.3</td>
</tr>
<tr>
<td>NT</td>
<td>15</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>National</strong></td>
<td><strong>2,969</strong></td>
<td><strong>126.5</strong></td>
</tr>
</tbody>
</table>

Note: The sum of the separate payment amounts in the 2015–16 grant year does not equal the national total due to rounding.
By broad industry classification, the majority of EMDG recipients (65 per cent) in the 2015–16 grant year were in service industries, with a further 30 per cent in manufacturing and 5 per cent in the primary sector (Figure 18).

Companies offering ICT, tourism, and professional, scientific and technical services dominated among services recipients. This compares to these industry sectors’ share of gross value added of around 84 per cent for the services sector (where services includes construction, utilities and ownership of dwellings), 6.4 per cent for the manufacturing sector, and 9.8 per cent for the mining and agricultural sector.29

The principal market targeted by EMDG recipients continued to be the United States, with 59.5 per cent of all recipients paid grants for promotion activities to this market. Other high-ranking markets were the United Kingdom, mainland China, Singapore, Hong Kong and Germany (Figure 19).

The advertising expenditure category was the largest expenditure category as a proportion of total assessed expenditure, followed by marketing visits and overseas representation costs (Figure 20).

Figure 18: EMDG recipients by industry, 2015–16 grant year

Figure 19: Top six markets targeted by EMDG recipients, 2015–16 grant year

![Bar chart showing the top six markets targeted by EMDG recipients in 2015–16 grant year. The United States leads with 59.5%, followed by United Kingdom (29.8%), China (27.7%), Singapore (19.2%), Hong Kong (13.8%), and Germany (13.3%).]

Note: Recipients may promote to more than one country.

Figure 20: EMDG recipients by expenditure category, 2015–16 grant year

![Bar chart showing the percentage distribution of expenditures by category. Advertising is the largest category at 36%, followed by Marketing visits (23%), Overseas representatives (19%), Promotional events (11%), Marketing consultants (5%), IP registration (3%), Product samples (2%), Overseas buyers (0.2%), and Communications (0.1%).]

EMDG scheme funding

The EMDG scheme’s appropriation for 2016–17 was $137.9 million. For the 2015–16 grant year, 1,734 businesses (58 per cent of all recipients) received their full grant entitlements up to the initial payment ceiling of $40,000 and 1,265 businesses received more than the initial payment ceiling, of which their second-tranche payment above that ceiling was paid at 64.5 cents in the dollar. Eligible demand for grants was higher than available funds, resulting in the need to apply this payout factor to second-tranche payments for grants above the initial payment ceiling.

Total cash funding used by the scheme in 2016–17 was $137.9 million with $6.48 million, or 4.7 per cent of the appropriation, spent on administration.
Rachel Li
Senior Grants Assessor, EMDG scheme, Sydney

Rachel Li joined Austrade in 2007 as a grants auditor to support the delivery of the EMDG scheme to potential and existing exporters. In her current position as Senior Grants Assessor (acting), she helps to ensure the efficient and effective delivery of the EMDG scheme by providing support and guidance to ensure grant applications are assessed and eligible claims paid in accordance with EMDG legislative instruments, internal procedures and existing risk management practices.

'It is challenging to deal with hundreds of applicants from various industries', Rachel said. 'It requires a clear understanding of each client’s business, products and export activities so as to form a sound decision in the context of the EMDG legislation. But it’s rewarding to see the applicant grow their business and achieve export success with the support of the EMDG scheme.'

A two-month operational assignment as a Business Development Manager, based in Shanghai in 2013, provided Rachel with an opportunity to use her Mandarin language skills, and to experience different operations and business practice.

Before joining Austrade, Rachel built her audit skills at Deloitte Touche Tohmatsu in Shanghai, and also worked as a compliance officer in a Shanghai-based fund management company. She is a member of CPA Australia, and has a Master of Commerce from the University of Sydney.

Quality Incentive Program

The Export Market Development Grants (Extended Lodgement and Consultant Quality Incentive) Determination 2012 provides the framework for a voluntary system intended to improve the quality of applications prepared by EMDG consultants. EMDG consultants who apply for the program, and who have lodged at least five applications during the preceding lodgement period, with a total grant adjustment rate of no more than 5 per cent, are invited to participate and are granted an additional three months to lodge applications for EMDG grants under this determination.

In 2016–17, 52 eligible EMDG consultants were approved as participants in the Quality Incentive Program and were listed on the Austrade website, and 13 were removed for failing to meet the requirements of the program. Quality Incentive Program consultants demonstrated lower adjustment rates (3.9 per cent) in 2016–17 than other consultants (16.2 per cent) or self-lodged applications (16.2 per cent).

Communication and promotional activity

During 2016–17, EMDG communication activities focused on advising EMDG clients, including grant applicants, consultants and industry
bodies, of the requirements of the Export Market Development Grants Act 1997 (EMDG Act), associated guidelines, the application process and the option of using consultants with access to extended lodgement timeframes.

Austrade informed EMDG clients about new developments through newsletters and other bulk mail communications, and conducted workshops and webinars to improve applicants’ understanding of the scheme.

During 2016–17, Austrade redeveloped the EMDG pages on its website to improve navigation, and continues to feature EMDG success stories that highlight the export successes of applicants and the role the scheme plays in helping Australian businesses become sustainable exporters.

**Administrative performance, risk and fraud control**

Austrade processed 3,189 (90 per cent) of 2015–16 grant year applications within the 2016–17 financial year.30 In the face of increasing applications, Austrade maintained its strong focus on risk management and fraud control, which included the following measures:

- All applications were subject to appropriate levels of assessment scrutiny, on a risk-managed basis.
- Claimed grant amounts processed in 2016–17 were adjusted down by a total of $21.7 million (12.5 per cent) as a result of Austrade’s assessment activities during the year.
- No person was convicted of fraud against the EMDG scheme during the year. At 30 June 2017, there were no persons before the court for alleged fraud, and no cases were with the Commonwealth Director of Public Prosecutions for consideration as to whether to commence court proceedings.
- During 2016–17, 84 of the applications processed resulted in a request for an internal Austrade review of the initial grant assessment, up from 55 in the previous year. This appeal rate was 2.5 per cent of applications processed.
- Details of appeals made by EMDG applicants to the Administrative Appeals Tribunal (AAT) are shown in Table 14. Two appeals by an EMDG applicant were finalised during 2016–17, one by agreement between the parties and one in which the AAT affirmed Austrade’s decision. Four AAT appeals were in progress at 30 June 2017.

### Table 14: Appeals to the Administrative Appeals Tribunal under the EMDG Act in 2016–17

<table>
<thead>
<tr>
<th>Appeals under the EMDG Act in 2016–17</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of appeals in progress at 1 July 2016</td>
<td>3</td>
</tr>
<tr>
<td>Number of appeals received from 1 July 2016 to 30 June 2017</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Appeals withdrawn, finalised or settled prior to hearing</td>
<td>1</td>
</tr>
<tr>
<td>Decisions handed down by the Administrative Appeals Tribunal</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td>Number of appeals in progress at 30 June 2017</td>
<td>4</td>
</tr>
</tbody>
</table>

30 Includes claims that had a ‘nil grant’ outcome.
Aussie company innovates with B2B matching

Matchboard provides a free online service using proprietary software to match buyers with suppliers in the niche area of customer acquisition, customer service and customer experience. The company was named by Westpac as one of Australia’s 200 ‘Businesses of Tomorrow’ at a ceremony in April 2017.

Matchboard’s software scores every supplier in a given category against buyer needs and the company’s verification team performs a quality check on every shortlist generated, then provides contact details and the specific requirements of the request to the suppliers matched with the query.

The company assesses suppliers to ensure it can provide a quality recommendation and monitors the service the supplier provides to clients on an ongoing basis.

Matchboard uses a business model in which suppliers pay, and clients have access to the matching service free of charge. Having proven its business model in Australia, and having successfully applied for its first grant in 2016, Matchboard is now looking to replicate its successful operation in the United Kingdom.

‘With the funds from the EMDG scheme, I’ve been able to secure a highly experienced UK-based General Manager Sales, and ramp up the marketing’, said Matchboard founder and Managing Director, Sharon Melamed. ‘Frankly, it’s been a game changer. Matchboard is self-funded and without the EMDG scheme, I’m not sure we could have afforded to take the leap internationally so fast.’

Four applicants were denied a grant in 2016–17 under the ‘not fit and proper’ provisions in section 87AA of the EMDG Act, and six cases were completed with no ‘not fit and proper’ findings. One appeal against a ‘not fit and proper’ determination was lodged, and no applicants had section 73 of the EMDG Act applied for failing to respond to Austrade’s request for information. At 30 June 2017, four companies were under review under section 87AA.

No EMDG consultants were found to be ineligible to lodge EMDG applications on behalf of their clients under the ‘not fit and proper’ provisions for EMDG consultants in section 79A of the EMDG Act.
Promotion of Australia’s free trade agreements

A free trade agreement (FTA) is an international treaty that eliminates or reduces cross-border barriers to trade and investment and sets trade and investment rules. Such agreements provide better access to important export markets, improve Australia’s competitive position and make investing in Australia more attractive. Australia currently has 10 FTAs in place.

Austrade helps businesses understand the benefits of Australia’s FTAs, and was provided $21.6 million in the 2015–16 Budget over two years to help small to medium-sized enterprises (SMEs) take advantage of the opportunities created by FTAs with Korea, Japan and China, with $2.2 million allocated to 2016–17.

During the first year of Austrade’s FTA program, outreach focused on increasing awareness and advocacy. In 2016–17, the program focused on strategic engagement with specific sectors and tailored training, as well as third-party outreach to partners along the export value chain to increase business use of FTAs.

Raising awareness and advocacy

Austrade’s North Asia Free Trade Agreements seminar series has reached 3,231 business attendees since it commenced in March 2015. In 2016–17, 810 participants attended 21 seminars held across Australia, with 18 held in regional areas. The seminars were hosted by the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, the Hon Keith Pitt MP, Assistant Minister for Trade, Tourism and Investment, and the Hon Michael McCormack MP, Minister for Small Business.

FTA seminar survey analysis continues to report very positive results, particularly in achieving an increase in awareness and understanding among seminar participants. A desire to learn more about the FTAs and how they can benefit businesses continues to underpin objectives for audiences attending the seminars. Seminar attendees have overwhelmingly achieved their objectives by attending a seminar—85 per cent of survey respondents stated all or most of their objectives were being met and a further 14 per cent agree some of their objectives were met. Forty-seven per cent of respondents would recommend the seminar to a peer or colleague. Satisfaction continues to be high among all audience segments, including those not yet exporting, those exporting occasionally and those exporting regularly.

Analysis of seminar survey respondents also showed:

› 30 per cent were current exporters to North Asia
› 14 per cent were current exporters, but not to North Asia
› 26 per cent were not currently exporting, but considering exporting
› 9 per cent were not currently exporting or considering exporting
› 11 per cent were from a business network organisation
› 10 per cent were from a government organisation (excluding organisers).

The seminar series attracted a lot of interest, travelling to places such as Kununurra, Hobart and Brisbane, where Mr Ciobo hosted the 70th seminar at Brisbane City Hall. Austrade also hosted its largest seminar in a rural location, in Toowoomba, in January 2017. For more information, see page 61.
Increasing business use

In 2016, there were substantial increases in the value of a wide range of exports where tariffs have been cut under FTAs with China, Japan and Korea. Business uptake of available FTA preferences was strong. The Department of Foreign Affairs and Trade (DFAT) monitors FTA usage rates, including through data exchanges with North Asia FTA partners, to support outreach and advocacy, and help businesses make the most of opportunities under these FTAs.

In order to boost awareness and use of Australia’s FTAs, DFAT and Austrade worked with two peak bodies in freight forwarding—the Customs Brokers and Forwarders Council of Australia and the Freight Trade Alliance—to conduct joint domestic outreach to more than 1,100 customs brokers and freight forwarders. These service providers are a crucial link in helping their exporting clients understand trading requirements, including how exporters need to actively obtain origin documentation for their products to gain the benefits of tariff cuts under FTAs.

Austrade launched an FTA online training module to help ensure its staff have a good understanding of FTAs and how to increase business use, with tailored FTA tradecraft workshops also delivered to staff in Japan and Korea in December 2016 and China in April 2017.

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<th>810</th>
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<tr>
<td>attendees participated in 21 North Asia FTA seminars during 2016–17</td>
<td>of survey respondents said all or most of their objectives were being met by attending an FTA seminar</td>
<td>in Free Trade Agreement Training Provider grants were awarded to 12 organisations</td>
<td>new case study videos were available from the online FTA toolkit</td>
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Promoting open markets

Austrade contributed to the preparation of case studies featuring Australian businesses achieving success in the North Asia markets. These case studies helped to deliver significant regional media coverage for the FTAs and highlight their role as champions of openness.

FTAs remain part of the whole-of-government narrative, with the FTA program providing briefs, speaking notes and case study material to a number of ministers and their departments for state visits to and from the North Asia markets, along with other supporting materials.

Free Trade Agreement Training Provider Grant

Austrade delivers the Free Trade Agreement Training Provider Grant program to assist Australian member-based business organisations and education institutions to deliver targeted training to help SMEs and stakeholders understand how to use and access Australia’s FTAs with Korea, Japan and China.

Grants worth over $1.37 million were awarded to 14 organisations in 2015–16, with 113 training sessions delivered by these recipients during 2016–17. In addition, grants worth $773,000 were awarded to 12 organisations for the 2016–17 grant round.

Asian Business Engagement Plan

Funding for the Asian Business Engagement Plan, a multi-year merit-based competitive grant program, concluded on 30 June 2015. While no new grants have been awarded since the conclusion of the program, three grant recipients finalised projects during 2016–17.

The Asian Business Engagement Plan awarded a total of 45 grants during the life of the program to Australian member-based business organisations in Australia and offshore. Total expenditure on grant projects for the life of the program was $2.75 million.

Information on grants awarded by Austrade under this and other programs is available at austrade.gov.au.

National Innovation and Science Agenda—Global Innovation Strategy

The Australian Government’s National Innovation and Science Agenda, launched in December 2015, provides a comprehensive plan for a more skilled, innovative and entrepreneurial Australia that will transform the economy. It sets out a vision for Australia’s innovation and science ecosystems, with initiatives focused on the four pillars of culture and capital, collaboration, talent and skills, and government as an exemplar.
### Landing Pads in global innovation hotspots

As part of its Global Innovation Strategy, the Government provided Austrade with $13.4 million over four years to establish five Landing Pads, which provide market-ready Australian startups with a short-term operational base in global innovation hotspots.

The Landing Pads assist startups in their commercialisation efforts, via access to entrepreneurial talent, mentors, investors and a network of innovation hubs, leading to more growth and returns on a global scale.

In 2016–17, Landing Pads were established in Shanghai, Berlin and Singapore, bringing the total number to five, with Landing Pads in San Francisco and Tel Aviv established during 2015–16.

In each location, the Landing Pad is situated within an established co-working space overseen by a manager from within the local startup ecosystem. For example, the Landing Pad in Shanghai is located at Xnode, which strives to connect China and the rest of the world by bringing together local and China-based international startups into one community.

In 2016–17, a survey of Landing Pad participants indicated:

- 100 per cent expect to achieve some form of commercial outcome as a result of participating in the Landing Pads program
- 94 per cent rated the contribution Austrade made to their international business activities as either positive, significant or critical
- 100 per cent were satisfied with the Landing Pads program.

Early outcomes for the first participants in the San Francisco Landing Pads program include:

- Cell therapy startup Indee securing an $848,000 round of funding lead from venture capital fund SOSV
- OpenCities, a website-building service for local government, securing projects in three cities in the United States.

Initial cohorts commenced in the Singapore and Shanghai Landing Pads in early 2017 and further positive outcomes are expected in due course.

| 5 Landing Pads opened across global innovation hotspots in the last two years | 100% of Landing Pad participants surveyed were satisfied with the Landing Pads program | 94% rated the contribution Austrade made to their international business activities as either positive, significant or critical | 100% expect to achieve some form of commercial outcome as a result of participating in the Landing Pads program |
Innovation missions

Under the National Innovation and Science Agenda, Austrade is also responsible for organising an annual inbound innovation forum to encourage international market experts, entrepreneurial talent and investors into Australia.

Austrade also seeks to include a targeted innovation stream, where appropriate, in Austrade-delivered Australia Week minister-led business missions.

In 2016–17, Austrade’s work under the National Innovation and Science Agenda included a China Inbound Innovation Mission in May 2017, which showcased Australian opportunities in digital health, diagnostics and non-implantable medical devices to 25 Chinese investors. In partnership with the Department of Industry, Innovation and Science, Austrade delivered a series of events, which featured leading Australian companies and research groups, synchronised with the national AusMedtech conference in Melbourne.

The success of the fintech stream in Indonesia Australia Business Week in March 2017 saw innovative Australian financial services startups and high-growth ventures disrupting the financial services industry in Indonesia.

Austrade will continue to incorporate an innovation-focused stream in future Australia Week minister-led business missions. For more information on Indonesia Australia Business Week, see pages 72–3.

Challenge: Identifying the ideal Landing Pad provider

A key challenge in establishing the Landing Pads was to identify the most appropriate service provider to host them.

San Francisco’s highly established startup ecosystem made this a relatively simple undertaking. However, Shanghai, with a more nascent ecosystem, was a more challenging task.

Austrade’s Landing Pads team consulted widely to gain a greater understanding of the Chinese startup ecosystem and to identify partners that had the most appropriate space and support services to give Australian startups the best possible platform for market entry.

The team’s research identified more than 450 incubators, accelerators and co-working spaces, which were shortlisted down to just 10.

In selecting Xnode as Austrade’s co-working space provider in Shanghai, the agency identified a partner that had significant experience in supporting international startups, and a set of unique networks that complemented the established capability of Austrade’s China network to support Landing Pad participants.
To Asia and beyond—medical technology scale-up goes global

Australian company Zed Technologies is helping transform healthcare in Singapore and beyond with support from the Landing Pads program. The company provides a cloud-based service that gives patients anytime access to their X-rays, MRIs, scans and ultrasounds through an app, eliminating the need to carry and store bulky films.

Zed Technologies was founded in 2012 by Ronald Li and Ross Wright, who previously worked together in the health industry. In 2014, they participated in Telstra’s muru-D startup accelerator program, and in February 2017, arrived in Singapore to participate in Austrade’s Landing Pads program.

The Landing Pad is based at BASH (Build Amazing Startups Here), Singapore’s largest integrated startup hub for co-working, networking and events. It’s also home to several accelerators and incubators.

For Zed Technologies, Singapore was an ideal base for expansion into Asia. According to Ross, Zed Technologies benefited from expert guidance on growing its customer base, introductions to local contacts and entry into key decision-making networks—not to mention a fully paid office space for 90 days. ‘The Landing Pad Manager, Joseph Ziegler, has deep knowledge of the startup, scale-up and investor scene in Singapore and is very well connected in the region’, said Ross.

Participating in the Landing Pads program also gave the company immediate credibility in the market. ‘You’re able to say you’re in Singapore because you are part of an Australian Government initiative to help promising scale-ups in the region’, said Ross. ‘That automatically tells people that a government organisation has done due diligence on your company and thinks you’re worthy of participating in the program.’

A further benefit was the ability to spend substantial time in the Singapore market and start to understand the intricacies of doing business there. ‘Being part of the Landing Pads program, you commit yourself to 90 days in the market, and that commitment to spending time and having availability is very important.’

The Landing Pad helped pave the way for Zed Technologies’ entry into the Singapore market. In its first week at the Landing Pad, the team won a large Singaporean client. Looking ahead, the company will focus on using its new base in Singapore as a launching pad into other Southeast Asian markets. ‘The Landing Pad provided us with a stepping stone into Southeast Asia and the credibility that comes with working with an Australian Government organisation. If we achieve success, we can certainly say the Landing Pad was part of that.’

The Zed Technologies app in use. Photo: Rachel Bui.
Outlook for 2017–18

Purpose 1: Develop international markets

In a dynamic international trading environment, where the impacts of technological, economic and political changes provide challenges and opportunities, Austrade will continue to support the traditional economy, while positioning Australian firms to capture opportunities in the evolving global digital economy.

Digitalisation can be defined as an era in which disruptive technologies will vastly transform major sectors. Austrade is working to identify niche areas of Australian capability across several disruptive technology subsectors, including the internet of things, big data and analytics, automation, simulation, additive manufacturing, systems integration, cyber security and the cloud. This knowledge will inform the agency’s industry sector–based trade facilitation strategies and promote Australian solutions into the value chains of multi-national corporations.

Opportunities are also emerging from newly established trade routes, including the logistics super hub in the United Arab Emirates. Reforms in Argentina and Mexico also offer the potential for enhanced business links. Austrade will continue to promote the capabilities of Australian exporters in those and other international markets—helping them find customers and business opportunities.

Business missions will continue to play an important role in promoting trade, investment, education and tourism as part of the Government’s economic diplomacy agenda. The second round of Australia Week events are due to be held in the same priority markets—China, India and the United States—with other, smaller minister-led trade missions continuing as needed.

Austrade will continue to work with the Department of Foreign Affairs and Trade (DFAT) to develop a whole-of-government strategy to communicate the benefits of trade and investment and, as the benefits of globalisation have become contested, to draw the link between openness and the economic wellbeing of all Australians.

Austrade has a vital role to play in promoting the benefits of free trade agreements (FTAs) and foreign direct investment to businesses around Australia and the world, and relaying business intelligence to inform policy and trade negotiations for new and existing agreements.

To drive a pipeline of startups into the Landing Pads program, Austrade will continue to work with the Australian startup community, including co-working spaces, accelerators, incubators, investors, venture capitalists, CSIRO, state government agencies and other influencers. A number of state governments have also committed to support startup cohorts to undertake intensive short-term programs at the Tel Aviv Landing Pad. In the longer term, the Landing Pad initiative provides an opportunity to develop complementary programs across Austrade’s network to link Australian startups, scale-ups and innovative SMEs into global innovation ecosystems.

To maximise the value provided by government assistance to exporters and investors, Austrade will invest in forging new partnerships and trialling new models of collaboration, including using co-design frameworks and design thinking principles with the state and territory agencies responsible for trade and investment promotion.
Purpose 2: Promote international education

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 2 as set out in its 2016–17 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the 2016–17 Portfolio Budget Statements, specifically Outcome 1, Program 1.1. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 19–34.

Outcome 1

Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.

› Program 1.1: Promotion of Australia’s export and other international economic interests

Purpose 2 achievements

Austrade has met or exceeded its forecasts for Purpose 2, with examples highlighted below.

81% of Australian education institutions indicated Austrade made a positive contribution to their international business activities. This is above the 70 per cent forecast in the 2016–17 Portfolio Budget Statements.

Austrade worked with other agencies and providers to improve Australia’s global competitiveness in international education and training, with activity focused on the themes identified in Australian International Education 2025.

91% of Australian education institutions indicated they achieved some form of commercial outcome as a result of working with Austrade. This is above the 70 per cent forecast in the 2016–17 Portfolio Budget Statements.
Purpose 2: Promote international education

Program 1.1: Promotion of Australia’s export and other international economic interests

Promoting Australian education and training internationally

Austrade seeks to enable the sustainable growth of the international education sector as part of a coordinated approach across Commonwealth, state and territory, and local governments. It supports Australia’s international education sector by:

› promoting Australia as a high-quality education and training provider
› providing market insights, intelligence and opportunities to the sector
› providing tailored services to Australian international education and training providers in internationalising their business
› contributing to an enabling environment for the sector’s ongoing growth.

Sarah Stanton-French Education Adviser, Melbourne

Sarah Stanton-French is a member of Austrade’s Client Engagement and Insights team based in Melbourne. She has previous experience working in the higher education sector, including as a tutor at the University of Western Australia and a marketing manager at Curtin University, supporting international recruitment and transnational education partnerships.

Sarah has been working on the development of Austrade’s edtech strategy, an important element of the Australian International Education 2025 ‘game changer’ of unleashing technology. Edtech brings a new cohort of clients to Austrade, generating fresh business models and different market entry strategies. ‘It is critical for Austrade to engage with and support Australian edtech companies in overseas markets as they are key enablers of our aspiration to reach the world’s one billion learners by 2025’, Sarah said.

‘Australia’s edtech community is set to become an important group of education-related exporters, with the potential to attract interest from overseas investors’, Sarah added.

Sarah holds a Bachelor of Commerce with first class honours from the University of Western Australia.
Sector performance

Identified as one of the five sectors that can drive the next wave of Australia’s economic prosperity, international education continues to demonstrate strong growth. The sector has seen an 11 per cent increase in the number of international students studying in Australia. This equates to 553,921 international students in Australia in 2016, surpassing the 2015 record.

Enrolments and commencements experienced double-digit growth of 11 and 10 per cent respectively during 2016, resulting in a high of 712,038 international student enrolments.

International education activity in 2016 contributed $22.4 billion to the economy, a 17 per cent increase on earnings recorded in 2015 (see Figure 21).

Delivering education and skills to meet the needs of the world’s learners

Australian International Education 2025 (AIE2025), launched in April 2016, sets the strategic direction for the international education and training sector to respond to the opportunities and challenges emerging from the changing nature of supply and demand for international education.

Austrade is working with other government agencies, peak bodies and providers to improve Australia’s global competitiveness in international education and training, with activity focused on the ‘game-changing’ themes identified in AIE2025. Examples of this activity are included on the following pages.

Figure 21: Australia’s education exports and international enrolments, 2006 to 2016

A collaborative approach to supporting the growth of Australia’s international education and training sector

The Council for International Education, established to oversee the implementation of the National Strategy for International Education 2025 and the Australian International Education 2025 (AIE2025) market development roadmap, held its first meeting in November 2016.

The council consists of six Australian Government ministers with responsibility for international education, and 11 expert members from the education and training sector.

In line with the council’s priorities, implementation of the AIE2025 roadmap is underway. Activities in 2016–17 included:

- market research to assess the strength of the *Future Unlimited* brand with prospective students, parents and employers in three important markets. The research results have been communicated to the sector under a revitalised International Education Marketing Forum, chaired by Austrade

- a sector survey, in partnership with English Australia and the Australian Council for Private Education and Training, on barriers and enablers to consortium formation, with progress now underway to develop a ‘consortium-ready’ toolkit to support small to medium-sized enterprises and to enable the sector to compete at scale

- consultations with peak bodies and state and territory officials to gauge support for developing a new online search tool to communicate Austrade market insights on education and training opportunities

- a stocktake of current international education data sources to identify knowledge gaps.

The Hon Julie Bishop MP (third from right), Minister for Foreign Affairs, addressing other members of the Council for International Education at the first meeting held in November 2016, including the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment (second from right). Photo: Department of Education and Training.
**Sharpening market focus**

Austrade uses its extensive offshore network to identify opportunities and develop market intelligence to help Australian education and training providers expand their business. Market intelligence and opportunities are delivered through Austrade’s online subscriber service, the Market Information Package (MIP). In 2016–17, 361 organisations held subscriptions to the MIP service, up 0.6 per cent, with 3,107 individuals holding subscriptions, up 5.5 per cent. In 2016–17, there were 410 articles published in the MIP, including 221 opportunities and events, 110 market updates, and 8 reports.

Austrade publishes a free e-newsletter, *MIP Weekly*, which highlights the latest articles. In 2016–17, the number of recipients of this e-newsletter increased by 13 per cent, from 6,327 to 7,173.

During 2016–17, Austrade focused on ensuring the MIP remained relevant to emerging and non-traditional education organisations, such as edtech providers, releasing an ‘Edtech US Market Snapshot’ to MIP subscribers. The subscription fee for edtech providers was also reduced based on sector feedback, with the number of edtech subscribers to the MIP more than doubling since 2015–16, albeit from a low base.

Website statistics demonstrate there is significant growing interest in a new breed of MIP articles, particularly on student study tours, edtech, executive training, teacher training and curriculum development, with articles on these topics often among the most viewed.

Throughout the year, Austrade continued to run events promoting Australian education and training to overseas students and customers, with education providers taking part. Austrade also delivered 2,039 services to Australian education and training providers, including 672 tailored services and 1,367 general services.

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**Challenge: Increasing diversity in Australia’s international education source markets**

Despite strong growth in the sector, onshore delivery continues to be dominated by Australia’s top 10 source markets, which account for nearly 70 per cent of total enrolments. This lack of diversification exposes the sector to risk of downturn from economic and regional shocks.

Austrade is working with other Commonwealth agencies and state and territory governments to monitor these risks, and is also working with providers to help them diversify their source markets. These initiatives include enhanced MIP Orbis functionality (see page 99) and the delivery of market insights for in-market and online delivery.

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**Maintaining an Australian edge**

Austrade contributes to building Australia’s reputation and attractiveness as a provider of international education and training through marketing and promotion campaigns, activities and events. Austrade also maintains the *Future Unlimited* brand for promoting Australia’s international education and training sector.

The Study in Australia website, studyinaustralia.gov.au, is administered by Austrade and is the official source of information for international students. The website received over 2.95 million visits in 2016–17, with around 80 per cent visiting from offshore, and more than 45 per cent of traffic to the website from a mobile or tablet device. The largest growth markets for visits to the website, other than Australia, were India, Nepal and Nigeria. More than 35 events were promoted using the website across 15 different countries.
Austrade’s Study in Australia digital channels—Facebook, Twitter, YouTube and Weibo—are used to engage prospective students, providing news, events and content about the quality of Australia’s education and training sector. In 2016–17, the Study in Australia Facebook page had over 277,500 engaged users, with its three largest markets from Indonesia, Bangladesh and India. The Study in Australia Twitter channel has grown to 15,000 followers and there were 1.24 million lifetime views on the Study in Australia YouTube channel.

Austrade conducted market research throughout the year to assess the strength of the Future Unlimited brand with prospective students, parents and employers in three key source markets—Indonesia, China and India. The research established an evidence base to improve future marketing and promotion activity by governments and by the sector. Building on the research, Austrade engaged state and territory governments and providers on the key strengths of the brand and opportunities to build on these. There were 498 Future Unlimited brand licensees at 30 June 2017, an increase of 5.7 per cent on the previous year. This includes 373 Australian institutions and 125 overseas stakeholders and education agents.

**Competing at scale**

Through the year, Austrade continued to build on its AIE2025 consultations with the sector to further understand barriers and enablers to the formation of consortiums to pursue global opportunities. As part of this activity, Austrade hosted a joint survey with English Australia and the Australian Council for Private Education and Training. The survey aimed to capture the sector’s views on barriers and enablers. Research was also commissioned on SME business models for consortiums. This included practical guides and checklists to help identify ‘consortium-ready’ providers.

Austrade also worked to enhance coordination mechanisms with state and territory governments, including through the creation of the International Education Marketing Forum, with a view to re-imagining the ‘compete at all cost’ culture, and fostering a collective national ambition to grow the overall sector.

**Embracing borderless learning 24/7**

The nature and scale of the opportunity for borderless delivery through online, in-market and blended learning is significant. By 2025, the number of learners potentially seeking a borderless learning experience is forecast to be in excess of one billion.31

To showcase Australian capability in scalable education delivery models and technology, Austrade developed and released, via the MIP, the first Australian education technology

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Social media raising the profile of Australian education in Latin America

Australia’s global reputation as a quality provider of international education and training is at the core of Austrade’s marketing and promotion activities. Austrade uses digital campaigns throughout the year to deliver targeted messages about Australian education and training.

A digital campaign in 2016–17 focused on markets in Latin America. This campaign was developed to counter in-market media coverage that had the potential to damage Australia’s reputation. The campaign sought to ensure Australia maintained a positive reputation in market, and to raise brand awareness and consideration of Australia as a study option.

The campaign targeted five countries across Latin America—Argentina, Chile, Colombia, Mexico and Peru—and ran for five weeks from March to May 2017. It used the Study in Australia website and Facebook page to:

- raise brand awareness, with a particular focus on Australia’s education strengths and capabilities in mining, agriculture, health, solar energy and engineering
- provide relevant information to prospective students and their influencers (parents, institutions and education agents)
- promote a series of education expositions that were being held in Latin America with Australian representation.

The campaign reached almost 19 million people and drove over 67,000 visits to the studyinaustralia.gov.au website. This represents an almost 400 per cent year-on-year increase in website visitors from these countries.

An example of the Study in Australia advertisements run during Austrade’s Latin America social media campaign.

Applying some of the early learnings on the formation of consortiums, Austrade organised a mission to the Middle East to pursue opportunities in market, providing solutions to Gulf Cooperation Council employers seeking Australian competency–trained workers, with a view to developing a model for expanding this approach to other markets. A consortium of Australian providers emerged from the mission, securing employer contracts to train workers in skills specific to employer needs across a range of markets.
**Unleashing technology**

In early 2016, Austrade facilitated several workshops on the theme of incubating and investing in innovative borderless education businesses. Workshop participants have since mobilised their ideas towards the development of EduGrowth, Australia’s first edtech acceleration network for scalable borderless education. This approach reflects the broader concept of ‘co-creation’ that has shaped AIE2025, with the sector leading through demonstrated commitment, and Austrade, as a government agency, facilitating or enabling.

Since its formal launch in October 2016, more than 2,000 people have registered and attended EduGrowth events. In February 2017, the network’s full-time accelerator program launched its first cohort of five edtech companies looking at solutions across the learning life cycle, from primary school learners to tertiary and adult learners.

Austrade also piloted new functionality of its data visualisation tool, MIP Orbis, to enable universities to analyse their own institution-specific international student data against the profile of Australia’s international education sector.

**Outlook for 2017–18**

**Purpose 2: Promote international education**

In 2017–18, Austrade will continue to work with the international education and training sector to enhance national coordination around branding. Building on the research findings for *Future Unlimited*, and the activity across states and territories, Austrade will work to reinvigorate the national approach to branding and marketing.

Connected with the AIE2025 ‘game changer’ theme to unleash technology and make better use of data, Austrade will introduce a new structured approach to assessing and communicating opportunities for the sector. This will inform the sector’s greater strategic internationalisation by allowing for ease of market comparison.
Purpose 3: Win productive foreign direct investment

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 3 as set out in its 2016–17 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the 2016–17 Portfolio Budget Statements, specifically Outcome 1, Program 1.1, reported from page 101, and Program 1.2, reported from page 111. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 19–34.

Outcome 1

Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.

› Program 1.1: Promotion of Australia's export and other international economic interests
› Program 1.2: Programs to promote Australia's export and other international economic interests

Purpose 3 achievements

Austrade has partially met, met or exceeded its forecasts for Purpose 3, with examples highlighted below.

Austrade contributed to 92 investment outcomes, with recorded investment value of almost $4.8 billion. This is above the 50 outcomes forecast in the 2016–17 Portfolio Budget Statements.

OVER $1m

in grants paid through the Australian Tropical Medicine Commercialisation grants program, contributing to the Government’s commitment to the development of northern Australia.

Austrade received 407 information requests, project requests, visitation requests and stakeholder introductions from potential investors. This is above the 150 forecast in the 2016–17 Portfolio Budget Statements.
Purpose 3: Win productive foreign direct investment

Program 1.1: Promotion of Australia’s export and other international economic interests

Attracting productive foreign direct investment to Australia

As Australia’s foreign direct investment promotion agency, Austrade, working with its Commonwealth, state and territory partners, leads a national, whole-of-government strategy for the promotion, attraction and facilitation of foreign direct investment (FDI) into Australia. To deliver the greatest value to the Australian economy, Austrade focuses on FDI that contributes to economic prosperity through creating and retaining Australian jobs, developing new industries and infrastructure, introducing new technologies and skills, encouraging innovation and competition, raising productivity, and strengthening Australia’s overall economic linkages with the world.

In order to achieve its deliverables and key performance indicators for investment attraction, Austrade proactively targets potential investors aligned to key priority sectors and offers assistance through:

› initial coordination of investment enquiries and assistance across government agencies
› providing information and insight on Australian capabilities, economic credentials, market intelligence and investment opportunities
› identifying suitable investment locations, potential investment projects and strategic alliance partners
› explaining the market and regulatory environment, including advice on Australian Government programs and approval processes.

Within this framework, Austrade works in partnership with state and territory governments to implement strategies around five ministerially agreed national investment priorities. These priority sectors are:

› advanced manufacturing, services and technology
› agribusiness and food
› major infrastructure
› resources and energy
› tourism infrastructure.

Austrade’s promotion and attraction work extends across its global network, with a primary focus on 32 key markets where opportunities are greatest. Austrade also works closely with other federal government agencies, state and territory governments, professional services firms and industry partners to win foreign investment for Australia.

Austrade’s investment attraction life cycle is shown in Figure 22.
**Australia’s investment environment**

Australia’s economic resilience, together with its proximity to Asia, strong global trade and investment ties, proven track record of innovation, skilled labour force and open business environment, combine to present a strong investment case for Austrade to promote offshore.

Australia’s inward FDI stock reached $796 billion in 2016, more than 60 per cent higher than the 2009 level of $490 billion. The United States and the European Union remain dominant sources of FDI for Australia, with $195 billion and $165 billion respectively, accounting for around 25 per cent and 21 per cent of total FDI.

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**Graham Putt** General Manager, Investment Division, Sydney

Graham Putt oversees the delivery of Austrade’s strategic investment priorities, providing leadership to its international investment network and service delivery leadership to its onshore investment teams as General Manager, Investment Division (acting). Graham also works with Austrade’s international network on investment plans, activities and investor insights to ensure a consistent approach to attracting and facilitating productive foreign direct investment.

Graham has brought a wealth of commercial experience to his role. He has held senior executive roles at the Commonwealth Bank of Australia, Perpetual Trustees, Premium Investors, Treasury Group and the Royal Bank of Canada.

Graham uses his extensive experience in banking and finance, particularly in Asia, to build strong relationships with visiting foreign investors, particularly those in the financial services sector, including fund managers, sovereign wealth funds and pension funds.

‘During my time at Austrade, I have been incredibly impressed with the agency’s “can do” culture, the extent and depth of business contacts in Australia and offshore, and our desire to put the investor at the centre of everything we do for the benefit of Australia’, said Graham.

Graham is a Chartered Accountant and a graduate of the Australian Institute of Company Directors. He also studied at Columbia University in New York City.
Japan remains Australia's second-largest direct investor, with total FDI stock value of $91 billion in 2016, rising by 6 per cent and accounting for 11.4 per cent of total FDI stock in Australia.

China has retained its position as the fifth-largest direct investor in Australia, with a total value of $42 billion. This 2016 figure represents a strong rise of 16 per cent from 2015 and a 25 per cent compound annual growth rate since 2009.

Other Asian economies are also emerging as fast-growing sources of FDI (compound annual growth since 2010), with ASEAN rising by 10 per cent a year to $44 billion, Hong Kong by 12 per cent to $12 billion, Malaysia by 14 per cent to $11 billion and South Korea by 16 per cent to $3.6 billion. Canada has also been an important investor in Australia in recent years, with total FDI stock value of $29 billion last year, growing 17 per cent and representing 3.6 per cent of total FDI stock in Australia.

As a percentage of GDP, FDI stock in Australia remained strong at 47 per cent in 2016, up from 39 per cent of GDP in 2009. According to the United Nations Conference on Trade and Development, Australia’s global share of FDI, measured in US dollars, was 2.2 per cent in 2015, compared with a 1.6 per cent share in 2000. This improvement was partly due to Australian FDI growth (10.4 per cent a year since 2000) being stronger than the average for developed economies (7 per cent a year).

Now in its 26th year of consecutive growth, Australia achieved a real GDP average growth rate of 3.3 per cent per annum from 1992 to 2016. Its forecast economic growth rate between 2017 and 2022 is the highest among major advanced economies.

This growth is underpinned by Australia’s close ties with the dynamic Asia–Pacific region and effective national institutions. While mining remains a major contributor to Australia’s international trade and investment profile, services (including information media and telecommunications, financial and professional services, scientific and technical services, and healthcare and social assistance) is growing faster than any other sector and generates the majority of Australia’s economic output, reflecting the depth of professional expertise across the country.

Australia is an ideal partner for innovation, with world-class scientific and academic institutions, high levels of investment in research and development, and strong intellectual property protection. The Australian labour force is one of the most educated, multicultural and multilingual in the world. On average, more than 40 per cent of Australian workers hold a tertiary qualification, and almost 30 per cent of Australia’s workers were born overseas. With a ready supply of skilled workers, businesses find easy access to a smart and culturally aware workforce in Australia.

Austrade publishes information and research on Australia’s investment environment in its various promotional publications, including the annual Why Australia: Benchmark Report, sectoral flagship publications and a monthly investment e-newsletter.


Delivering investment outcomes

Austrade, along with its key partners in state and territory governments, contributed to 92 investment outcomes during 2016–17, with recorded investment value of almost $4.8 billion and the creation or retention of around 3,738 jobs.34

Western Europe (including the United Kingdom and Israel) was the largest source of investment outcomes with 44 per cent of the total. This was followed by North America (United States and Canada) with 26 per cent. Greater China (including Hong Kong and Taiwan) and Japan comprised 11 per cent of outcomes each. Figure 23 shows the source market distribution of investment outcomes assisted by Austrade in 2016–17.

Figure 23: Austrade-assisted investment outcomes by source market, 2016–17

Among the agreed investment priority sectors:

› 36 advanced manufacturing, services and technology outcomes accounted for 39 per cent
› 6 agribusiness and food outcomes accounted for 7 per cent
› 18 major infrastructure outcomes accounted for 20 per cent
› 19 resources and energy outcomes accounted for 21 per cent
› 4 tourism infrastructure outcomes accounted for 4 per cent.

Figure 24 shows the industry sector distribution of investment outcomes assisted by Austrade.

To deliver investment outcomes, Austrade manages a comprehensive pipeline of qualified investors and investor leads, which are shared with state and territory governments. During 2016–17, Austrade shared 407 investor leads with state and territory governments, including facilitating 102 site visits by investors.

34 This information is supplied by inward investors on a voluntary basis, or compiled from publicly available sources, and does not cover all inward investments.
The traditional FDI markets of North America and Western Europe continued to dominate the investment pipeline, although investor interest from Japan and China was also strong. From an industry perspective, 94 per cent of qualified investor leads were within the investment priority industries:

- 34 per cent in advanced manufacturing, services and technology
- 21 per cent in agribusiness and food
- 14 per cent in major infrastructure
- 17 per cent in resources and energy
- 8 per cent in tourism infrastructure.

**Achieving priority milestones**

Recognising the long-term nature of investment decision-making, Austrade also tracks investment priority milestones. During 2016–17, Austrade recorded 52 priority milestones. These tangible demonstrations of commitment to the Australian market are an important indicator of Austrade’s long-term success in promoting Australia as an investment destination.

**Promoting investment in Australia**

As part of its investment promotion and attraction work, Austrade works with investors and partners on site visits and events in Australia.

In October 2016, AusBiotech International’s BioFest conference was held in Melbourne, attracting 1,600 delegates from 38 countries. Austrade supported 30 international delegates at the event, and coordinated site visits for Biocon, India’s largest pharmaceutical company, and Lin Bioscience, a Taiwanese biotechnology company.

In November 2016, Austrade participated in the International Mining and Resources Conference, a global mining industry forum held in Melbourne, hosting an investment session in partnership with the Queensland, Victorian, New South Wales and Tasmanian state governments. Austrade also hosted a roundtable and coordinated meetings and site visits around the event.

Austrade launched a new award category at the annual Australian Export Awards—the Minister for Trade, Tourism and Investment’s Investment Award. Seven nominations were received, with Boeing announced as the winner at the 2016 Australian Export Awards ceremony in Brisbane in November 2016. The investment award highlights the important contribution of productive FDI to Australia’s economy. For more information about the Australian Export Awards, see page 66.

Austrade also supported Citigroup in its A50 Australian Economic Forum held in Sydney in February 2017. The event, supported by the Hon Malcolm Turnbull MP, Prime Minister,
Canadian pension funds see value in Australia

Major Canadian pension funds continue to show strong interest in Australian infrastructure, agriculture and other assets. Australia is an attractive market with familiar historical links; a similar legal system, fiscal and regulatory framework and business culture; and strong business links to the fast-growing Asian markets. These funds, with total net assets of C$1.1 trillion, praise Australia for its economic stability and the quality of its investment opportunities, which offer stable, long-term returns based on a long successful history of public–private partnerships and strong domestic expertise and capability.

Austrade has been working actively with a number of Canadian pension funds since 2012 and has seen strong results. Activity has included promoting Australia’s infrastructure project pipeline and the Australian Government’s asset recycling initiative, facilitating introductions to federal and state government stakeholders, and organising site visits to Australia.

The Canada Pension Plan Investment Board (CPPIB), OMERS (Borealis), Caisse de Dépôt et Placement du Québec, British Columbia Investment Management Corporation, Ontario Teachers’ Pension Plan and OPTrust have all bid or been part of winning consortiums for investments in Australian infrastructure. CPPIB has been particularly active in Australia and recently opened an office in Sydney to support its growing portfolio of direct investments in Australian infrastructure and commercial real estate. Infrastructure investments include holdings in Asciano, the NorthConnex motorway tunnel, the Westlink M7 motorway and Broadcast Australia.

Canadian pension fund representatives attend the Montreal investment roundtable, held in September 2016, with Tony Negus, Australian High Commissioner, Canada (facing, fourth from right), and Portia Maier, Consul-General and Senior Trade Commissioner, Toronto (facing, third from left). Photo: Austrade.
attracted approximately 50 offshore and onshore investors, government attendees, including the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, and other cabinet ministers, as well as the Governor of the Reserve Bank of Australia.

In May 2017, Austrade delivered the China Inbound Innovation Forum, which showcased Australian cutting-edge technology in medical devices, diagnostics and digital health to some 20 Chinese investors. In partnership with the Department of Industry, Innovation and Science and MTPConnect—part of the Australian Government’s Industry Growth Centres initiative—Austrade introduced participants to leading Australian companies, startups and researchers.

Other investment-related events Austrade attended or supported in Australia during the year included HotelsWorld 2016; Fine Food Australia; the AusBiotech Advanced Manufacturing Summit; a CSIRO AgCatalyst event focused on creating opportunities for agriculture and food; the 2017 Australian Dairy Conference; Australian International Dairy Week; the Avalon Airshow; the Carbon Fibre Futures Conference; the Big Data and Analytics Innovation Summit; the Australian Cyber Security Centre Conference; and the Australian Smart Cities and Infrastructure Conference.

Austrade also undertook a major report on Japanese investment in Australia to recognise and celebrate the contribution of Japanese investment to Australia’s economic prosperity over many decades, and to identify opportunities for future partnerships. The report, Japanese Investment in Australia: A Trusted Partnership, will be launched in early 2017–18 to coincide with the 60th anniversary of the landmark 1957 Commerce Agreement between Australia and Japan.
Whole-of-government communications and policy input

Austrade brings a unique perspective to the government’s policy discussions, based on its knowledge of and relationship with the global investment community. This includes advocacy and tracking of progress on resolving investment impediments, and contributions to whole-of-government policy discussions.

Austrade is a consultation partner to the Foreign Investment Review Board in its consultations on proposed foreign investment transactions. During 2016–17, Austrade provided input on 73 consultation requests.

Austrade worked closely with the Department of Foreign Affairs and Trade, the Treasury, the Attorney-General’s Department, the Department of Immigration and Border Protection, and other federal, state and territory government agencies on matters affecting investment attractiveness. This included important policy development on streamlining Foreign Investment Review Board processes, handling sensitive investment cases, critical infrastructure, stamp duties on commercial real estate, the Research and Development Tax Incentive, stapled securities, changes to the skilled migration program, and communicating the importance and benefits of FDI.

Significant Investor Visa and Premium Investor Visa programs

Since 1 July 2015, Austrade has had three areas of responsibility under the Significant Investor Visa (SIV) and Premium Investor Visa (PIV) programs:

› to nominate potential SIV applicants (responsibility shared with state and territory governments)
› to develop the new PIV
› to assess the complying investment framework design on an ongoing basis in order to ensure the program achieves its objectives over time.

The Department of Immigration and Border Protection is responsible for the administration of the SIV and PIV programs, including visa processing and grants, compliance and promotion.

To support dynamic and innovative areas of the Australian economy, the SIV now requires a mandatory investment of at least $500,000 in venture capital and growth private equity; $1.5 million into small and emerging companies; and a balancing investment of up to $3 million in complying investment. The PIV requires a $15 million complying investment. The programs are designed to deliver on the Government’s objective to attract business migrants who genuinely want to settle permanently in Australia and will invest in areas that make a material difference in promoting innovation and commercialisation.

The total number of SIVs granted under the new complying investment framework in 2016–17 increased substantially compared with the previous financial year, as fund managers developed investment offerings compliant with the new regulations, and applications lodged in the latter part of the 2015–16 financial year were processed.
In 2016–17, there were 531 expressions of interest lodged, 494 nominations (of which five were issued by Austrade), 438 applications lodged, and 180 primary visas granted. This resulted in $900 million made in complying investments during the year, including $90 million committed to venture capital and $270 million invested in small and emerging Australian companies.

As the market has adapted to the new SIV requirements, Austrade has begun to see examples of how SIV investment is supporting the growth of innovative, emerging Australian companies. These include:

- venture investment into Smart Sparrow, which was born in a research lab at the University of New South Wales in 2006 and provides a complete software as a service for designing, developing and delivering smart courseware within education and corporate markets
- venture investment into ROKT, a digital referral marketing business, which is developing a post-transaction marketing platform for e-commerce company websites
- investment of SIV capital into Carbon Revolution, which produces the world’s only one-piece carbon fibre wheel
- investment in a Western Australia–based aquaculture company developing sustainable, environmentally friendly abalone growing techniques.

In 2016–17, Austrade piloted the PIV program in the United States, Australia’s largest source of foreign direct investment and a global venture capital hub. Austrade, as the sole nominator, is assessing policy settings based on the pilot and ongoing stakeholder feedback.

The Department of Immigration and Border Protection is leading a review of Australia’s business, investment and talent visas, including the SIV and PIV. Austrade worked closely with the Department of Immigration and Border Protection on preparations for the review and is leading aspects relating to the SIV and PIV complying investment frameworks. The review will be completed in early 2017–18.

**Developing capability**

To further enhance investment promotion and attraction skills and capability across Austrade and its stakeholders at federal, state and territory government levels, Austrade delivered its Winning Investment for Australia training courses in Launceston in November 2016 and in Sydney in May 2017. A total of 60 participants attended the events from Austrade’s onshore and offshore network, state and territory investment promotion agencies, the Department of Foreign Affairs and Trade, and the Treasury.

Austrade also delivered a Consultative Selling course in Hong Kong to 20 participants from its onshore and offshore network, as well as state government representatives in Asia, in November 2016. In January–February 2017, Austrade delivered its first Investment Lab to 27 staff in Washington DC. Investment Labs are intensive courses delivered by senior staff, which are customised to the market in which they are delivered, and build upon the Winning Investment for Australia and Consultative Selling courses.
Foreign investment challenges

Cross-border investment is changing globally. Competition continues to intensify and changes in the geopolitical environment are challenging globalisation and trade and investment liberalisation. Traditional source markets are becoming strong competitors for limited investment dollars, and emerging non-traditional investors from developing economies create a new dynamic in investment promotion and attraction.

These factors, combined with the transition underway in Australia’s economy following the mining investment boom, create an increasingly challenging environment for the promotion and attraction of productive FDI into Australia.

Domestically, Austrade has responded to heightened public concern about foreign investment. Working together with the Department of Foreign Affairs and Trade, the Treasury, and state and territory governments, Austrade has developed a whole-of-government narrative and toolkit to help demonstrate how FDI is enhancing the prosperity of Australians. This work will feed into the development of a broader trade and investment communications strategy.

The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, delivered the third annual Ministerial Investment Statement to Parliament in November 2016.

Developed jointly by Austrade and the Department of Foreign Affairs and Trade, the statement highlighted the Government’s commitment to productive FDI and featured foreign investment case studies that have delivered tangible benefits to Australians.

Foreign investment in critical infrastructure in particular was a touchstone in 2016–17. The Government announced the establishment of the Critical Infrastructure Centre in January 2017 to develop national security risk assessments and advice, coordinated across government, to better support decision-making on investment transactions. This will help Australia to maintain strong foreign investment, while ensuring national security risks are appropriately managed and mitigated.

Austrade sits on the Critical Infrastructure Centre board, and works to ensure greater certainty and clarity to investors and industry on the types of assets that will attract national security scrutiny. Austrade has seconded a member of staff to work in the centre.
Purpose 3: Win productive foreign direct investment

Program 1.2: Programs to promote Australia’s export and other international economic interests

Developing northern Australia

The Australian Government’s *Our North, Our Future: White Paper on Developing Northern Australia*, released in June 2015, mapped out a long-term vision for the development of northern Australia. The white paper positions Australia to take advantage of the opportunities offered by growing international demand for high-quality goods and services, and to capitalise on the north’s proximity to the growth markets of Asia and its position within the tropics.

As a result of the white paper, Austrade is helping develop northern Australia by attracting more foreign investment into the region, and is working with key government agencies, businesses and communities to identify high-potential investment opportunities in northern Australia, and assist in bringing them to market via Austrade’s offshore network.

Austrade is engaging with state and territory governments, Indigenous land councils, local economic development agencies and advisory firms to identify case studies of successful ventures between investors and traditional owners. Austrade is also identifying traditional owners who want to be proponents for projects on Indigenous land, and is assisting investor engagement with those traditional owners.

Business-friendly guide to land tenure

As part of the initiative to attract more foreign investment to northern Australia, Austrade, with the Western Australian, Northern Territory and Queensland governments, developed an investor-friendly guide to land tenure in northern Australia. The guide is accompanied by an interactive map showing land tenure and native title arrangements across the north, which was developed with CSIRO’s Data61 and can be accessed at austrade.gov.au/land-tenure. Following stakeholder feedback, the map is now being enhanced to include data of interest to investors, such as population, infrastructure, soil type, minerology and rainfall.

Engagement

During 2016–17, Austrade engaged with government agencies, businesses and communities across the north of Australia to raise awareness of the opportunities for attracting foreign direct investment. These networks are proving to be an important platform to expand Austrade’s ability to identify and promote investment opportunities and to identify ways to better contribute to export and education outcomes in the north.

Positioning the north as a leader in tropical health

The $8.5 million Australian Tropical Medicine Commercialisation (ATMC) grants program was launched by the Hon Andrew Robb AO MP, the then Minister for Trade and Investment, at the Northern Australia Investment Forum in November 2015. The ATMC program will develop pathways to commercialise Australian
research on new tropical medicine therapeutics, vaccines and diagnostics, in partnership with global players in the health sector, including pharmaceutical companies and philanthropic organisations.

Applications for the program opened in late November 2015 and closed in March 2016, with the program fully allocated. Payments totalling $1.04 million were made to projects in 2016–17, with initial payments totalling $1.02 million made to successful applicants in 2015–16. Twelve projects from 11 recipients were successful in receiving grant funding, including five commercialisation projects, six proof-of-concept projects, and one combination proof-of-concept and business planning project. All but two of the projects have matching foreign direct investment. Eleven projects have now commenced and are progressing well.

**Outlook for 2017–18**

**Purpose 3: Win productive foreign direct investment**

Austrade will continue to focus its foreign investment promotion, attraction and facilitation in key growth areas of the economy, including by:

- implementing revised investment strategies on the agreed priority areas and deepening the agency’s understanding of gaps and investment opportunities in Australia
- working cooperatively with state and territory governments to enhance Austrade’s ‘Team Australia’ approach to investment promotion, through strengthening information sharing, developing value propositions, and rolling out a comprehensive communication strategy
- strengthening the agency’s customer relationship approach to current and prospective high-priority investors, including engagement with overseas investors in Australia
- targeting foreign investment into emerging sectors that support Australia’s economic transition
- attracting foreign investment that supports development in regional Australia, and deepening the agency’s understanding of investment opportunities there
- delivering quality investor insights to influence policy and coordinate a whole-of-government approach to address policy and regulatory impediments, and provide investor certainty
- driving enhancements to the availability and usability of data to ensure effective and consistent analysis to support Austrade’s priority sectors and the promotion of Australia as an investment destination
- working across trade, investment and education to drive innovation and integration into global value chains.

The second Northern Australia Investment Forum will be held in Cairns in November 2017 and will build on the success of the first forum, held in November 2015. It will be an opportunity for high-end investors from around the world to hear about projects and opportunities for investing in the north, and to interact with proponents and federal, state and territory decision-makers. The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, will co-host the forum, along with the Minister for Resources and Northern Australia.
Purpose 4: Strengthen Australia’s tourism industry

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 4 as set out in its 2016–17 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the 2016–17 Portfolio Budget Statements, specifically Outcome 1, Program 1.1, reported from page 114, and Program 1.2, reported from page 123. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 19–34.

Outcome 1

Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.

› Program 1.1: Promotion of Australia’s export and other international economic interests
› Program 1.2: Programs to promote Australia’s export and other international economic interests

Purpose 4 achievements

Austrade has partially met, met or exceeded its forecasts for Purpose 4, with examples highlighted below.

$103.2b

in overnight visitor expenditure, up 6.6 per cent, and continuing to track above the Tourism 2020 lower-bound target of $115 billion.

Austrade progressed priorities and outputs of the Tourism 2020 Implementation Plan, including visa processing, the negotiation of several air services agreements, and stakeholder engagement.

$10.2m

in payments were made to state and territory governments for 65 projects under the Tourism Demand-Driver Infrastructure National Partnership project agreement.
Purpose 4: Strengthen Australia’s tourism industry

Program 1.1: Promotion of Australia’s export and other international economic interests

Strengthening Australia’s tourism industry

Austrade plays a lead role in strengthening Australia’s tourism industry by developing policy, managing programs and providing research to grow domestic and international tourism, and by promoting a globally competitive tourism sector.

Austrade works across government to implement the Tourism 2020 strategy to help tourism businesses remain competitive. Austrade also works across government to facilitate improvements in policy settings that have an impact on the tourism sector in relation to:

› streamlining visas and passenger facilitation arrangements
› improving aviation connectivity
› increasing tourism infrastructure investment
› addressing labour and skills shortages in the tourism industry
› understanding the influence of innovation and change in the broader economy on tourism.

World-class data and research underpin tourism policy and program development. Tourism Research Australia measures the performance of the tourism sector and its contribution to the Australian economy through national surveys and analytical research. This informs government and industry decision-making for tourism planning, investment, marketing and business outcomes.

Tourism sector performance

Tourism has been identified as one of five super-growth sectors that will drive new jobs and growth in the economy over the next decade. In 2015–16, direct tourism GDP grew 7.4 per cent and reached a record $53 billion—the second year in a row tourism growth has exceeded the national rate of economic growth. In 2015–16, tourism employed 580,000 people, equivalent to 4.9 per cent of Australia’s workforce, larger than the mining, agriculture and utility services industries.

Tourism, with export earnings of $34.2 billion in 2015–16, is the largest export earner among the services industries. In 2016–17, Asian markets continue to drive growth in international tourism, with nine of the 10 key markets recording double digit percentage growth in visitor numbers. Outside of Asia, double digit growth was also recorded for the United States, the Netherlands and Canada.

In terms of visitor expenditure among Australia’s top five markets in 2016–17, China was the number one market with a total spend of $9.8 billion, followed by the United States with $3.8 billion, the United Kingdom with $3.5 billion, New Zealand with $2.7 billion, and Japan with $1.8 billion.

35 Australian Bureau of Statistics, Australian National Accounts: Tourism Satellite Account, 2015–16, cat. no. 5249.0, December 2016. Direct tourism GDP relates only to instances where there is a direct physical and economic relationship between a tourist and the producer of a good or service.
Tourism Research Australia forecasts by 2020–21, Australia will receive 10.8 million international visitors, at an average annual growth rate of 4.8 per cent from 2016–17. Domestically, in 2016–17, Australian overnight trips rose 5.2 per cent to 93.7 million, and overnight expenditure increased 6.6 per cent to $62.6 billion. A breakdown by state and territory of international visitors and spend, and domestic overnight trips and spend, is included in figures 25 and 26. Domestic day trips saw no change over the year at 187.7 million trips, with day expenditure increasing slightly by 2.9 per cent to almost $20 billion. In 2016–17, overnight visitor expenditure increased 6.6 per cent to $103.2 billion. This continues to track above the Tourism 2020 lower-bound target of $115 billion.

Figure 25: International visitors and spend by state and territory, 2016–17

Figure 26: Domestic overnight trips and spend by state and territory, 2016–17
**Tourism 2020 Implementation Plan update**

The Tourism 2020 Implementation Plan (2015–2020) identifies six reforms designed to drive the tourism industry to the higher end of the $140 billion target for overnight visitor expenditure by 2020. In 2016–17, Austrade worked with other Commonwealth agencies, state and territory governments and the tourism industry to progress the following reforms:

- Chinese nationals now have a 10-year multiple-entry visitor visa and online visa application lodgement in simplified Chinese. A fast-track 48-hour visa processing service is also available for eligible applicants from China, India and the United Arab Emirates.
- The three-year multiple-entry visitor visa is available in Thailand, Vietnam, India and Chile.

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**Audit of Australia’s national long-term tourism strategy—Tourism 2020**

In August 2016, the Australian National Audit Office (ANAO) announced it would conduct a performance audit of Australia’s national long-term tourism strategy, Tourism 2020. The objective of the audit was to assess the effectiveness to date of the implementation of the Tourism 2020 strategy by Austrade and Tourism Australia.

The final ANAO report, *Strengthening Australia’s Tourism Industry*, tabled in Parliament in April 2017, stated the government entities responsible for strengthening the supply and demand for tourism in Australia—Austrade and Tourism Australia—have together supported the effective implementation of Tourism 2020.

In addition, Tourism 2020 has provided a framework for growth to help tourism businesses remain competitive in a dynamic global environment, and its success has been based on collaboration across federal, state and territory governments, and the Australian tourism industry.

Furthermore, the ANAO found the Tourism 2020 strategy is sustained by thorough research and accurate reporting based on relevant key performance indicators. Regular reporting of progress against the Tourism 2020 target—through Tourism Research Australia’s State of the Industry reports and quarterly visitor surveys—has helped to galvanise the sector, and is a strength of Tourism 2020.

Tourism Ministers Meetings were also shown to be an effective forum to oversee the progress of the Tourism 2020 Implementation Plan (2015–2020) and for cross-government collaboration with industry on key priorities.

While the report did not include any formal recommendations for Austrade, the ANAO identified the need to assess the overall economic impact of Tourism 2020, as well as the need to set, calculate and report key performance indicators for international tourism marketing campaigns.

The results of the audit demonstrate Austrade is effectively implementing Tourism 2020.
Austrade contributed to the successful negotiation of several new air services arrangements, removing capacity restrictions for designated airlines operating services between Australia and a number of markets, and paving the way for significant growth in tourism and trade.

The Tourism and Hospitality Labour and Skills Roundtable continued to bring industry and government together to address labour and skills issues. Throughout the year, Austrade also commissioned perceptions research to assist industry in encouraging young and mature-age workers to enter the tourism workforce.

In February 2017, Austrade facilitated a Tourism Access Working Group meeting where industry discussed aviation and visa reforms and other market access issues with Australian Government ministers.

Austrade continued to work with jurisdictions to integrate national and state tourism plans into regional development and local government planning. Austrade and Tourism Australia are currently working with states and territories to develop a strategy to attract foreign direct investment into regional tourism infrastructure.

Austrade worked with Tourism Australia and state and territory government agencies to identify partnerships, efficiencies and opportunities to increase marketing spend, driving demand for travel to Australia and improving conversion rates. An example of this is the China–Australia Year of Tourism, launched in February 2017—a collaboration between Austrade, Tourism Australia and the Department of Foreign Affairs and Trade, in consultation with the states and territories.

In late 2016, the Australian National Audit Office conducted a performance audit of Tourism 2020, assessing Austrade and Tourism Australia’s effectiveness in implementing the strategy. The final report, *Strengthening Australia’s Tourism Industry*, is very positive, stating Tourism 2020 was developed and implemented through sector collaboration and is supported by sound research and accurate reporting based on relevant key performance indicators. For more information, see page 116.

**Increasing tourism access**

As a member of the Australian Government delegation responsible for undertaking air services negotiations, Austrade contributed to a number of important aviation outcomes in 2016–17. Substantial outcomes included the negotiation of a historic open skies–style arrangement with China, a similar arrangement with Taiwan, and a new air services agreement with Iran.

Austrade also participated in the International Civil Aviation Organization Air Services Negotiation Event (ICAN) in December 2016, where the Australian delegation met with representatives of 22 economies. At ICAN, new air services arrangements were negotiated with Israel, and amendments were made to the air services arrangements with the United Arab Emirates and Turkey. These new air services arrangements will help achieve the Tourism 2020 target to increase inbound aviation capacity by 40 to 50 per cent by 2020.

The Australian Government made significant technology-based enhancements to Australian visitor visa and passenger facilitation products, including the installation of departure eGates across Australia’s major international airports.
China–Australia open aviation market arrangement

Increasing the supply of aviation capacity between Australia and key tourism markets to facilitate stronger people-to-people and trade links is a priority under the Tourism 2020 strategy.

Austrade works closely with the Department of Infrastructure and Regional Development to ensure Australia’s air services arrangements support tourism, trade and investment opportunities for Australian businesses.

In December 2016, Austrade participated in the negotiation of a historic open aviation market arrangement with China, which removes all aviation capacity restrictions between Australia and China for airlines of both countries.

China is Australia’s fastest-growing and most valuable international visitor market. More than one million Chinese tourists now visit Australia annually, spending over $9 billion during their stay. With the number of Chinese travelling overseas expected to double to over 200 million each year by 2020, Australia is now in a stronger position to benefit from the burgeoning Chinese market. The negotiation of aviation arrangements with China has been a positive lead into the China–Australia Year of Tourism 2017, supporting further growth in Chinese tourism numbers and complementing the launch of recent visa products for Chinese visitors.

The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, led a business delegation to China in February 2017, which focused on building partnerships with Chinese businesses and increasing access through the new air services arrangements. Seven Australian airport CEOs participated.

Airlines from both Australia and China have already begun to take advantage of the open aviation market, commencing new routes and increasing capacity on existing routes to further enhance aviation connectivity between the two countries.

The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment (centre), pictured in China with a business delegation of Australian aviation and tourism operators in February 2017. Photo: Tourism Australia.
Attracting investment into tourism infrastructure

Austrade provides coordinated government assistance to attract and facilitate productive foreign direct investment into tourism infrastructure in Australia, partnering with Tourism Australia under the Australian Tourism Investment Attraction Partnership. The partnership sets out a whole-of-government approach to promote the Australian tourism industry as an attractive investment destination and coordinate relationships between investors and state and territory agencies responsible for facilitating investment.

Now in its fifth year, the partnership continues to support a pipeline of new hotel rooms in development, with the industry looking well placed to exceed the Tourism 2020 target of up to 20,000 new rooms. While investment has been strong over this five-year period, this has not translated into significantly increased investment in regional Australia, despite greater visitor dispersal beyond capital cities. In response to this, Austrade and Tourism Australia have developed the Regional Tourism Infrastructure Investment Attraction Strategy, which seeks to reduce barriers to investment in iconic regional tourism destinations.

To support the Australian Government’s red tape reduction agenda, Austrade works across government to foster a supportive and streamlined regulatory environment for tourism investment. In 2017, Austrade coordinated the public release of the *Tourism Investment and Regulatory Reform Report Card 2016* to assess progress made by Commonwealth, state and territory governments in implementing reforms to improve the investment environment.

Austrade’s Tourism Major Project Facilitation service assists approved project proponents to navigate Commonwealth regulations by providing them with a central contact in Austrade and guiding them through approval processes. During 2016–17, Austrade provided assistance to six major tourism projects, which total more than $3 billion in development and will support 13,000 jobs. Projects include the Cairns Aquarium, which commenced construction in November 2015, and the Pacificus Tourism Project near Gladstone, which received its environmental approvals from the Australian Government in 2015.

Developing the China market through the Approved Destination Status scheme

The Approved Destination Status (ADS) scheme is a bilateral arrangement between the Chinese Government and a destination country that establishes a regulatory framework for Chinese tourists to undertake group leisure travel to that country.

Authority for the ADS scheme is established in the memorandum of understanding on tourism cooperation between Australia and China. Australia and New Zealand were the first western countries to be granted approved destination status in 1999.

In the time since Australia was granted approved destination status, China has become Australia’s most valuable tourism market, with total visitor spend reaching $9.8 billion in 2016–17, up 9.8 per cent on the previous year. There were 1.2 million Chinese visitors to Australia, an increase of 9.5 per cent on the previous year. Tourism Research Australia forecasts estimate China’s share of total visitors will increase from 14.4 per cent in 2015–16 to 24.4 per cent in 2025–26. By 2017–18, China is expected to surpass New Zealand as Australia’s largest inbound market, two years earlier than previously forecast.
Austrade is continuously seeking to improve the quality of the tourism experience offered to Chinese travellers under the ADS scheme. In July 2016, the ADS unit introduced additional skills requirements for tour guides. There are currently 80 inbound tour operators and over 1,800 tour guides approved to participate in the ADS scheme, with inbound tour operators and tour guides required to sign a deed of agreement to abide by the ADS Code of Business Standards and Ethics. In July 2016, following a competitive tender process, the ADS unit appointed EY as the compliance monitoring provider to conduct field activities on ADS tours. EY identifies potential breaches of the ADS Code by inbound tour operators and tour guides and provides this information to the ADS unit for further action.

The ADS scheme, and the tourism relationship between Australia and China, are supported by an annual dialogue between Austrade and the China National Tourism Administration, which was held in Sydney in August 2016. The relationship is also strengthened by the research memorandum of understanding between Tourism Research Australia and the China Tourism Academy.

The China–Australia Year of Tourism 2017 was announced by the Hon Malcolm Turnbull MP, Prime Minister, during Australia Week in China in April 2016, and was jointly launched by the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, and Dr Li Jinzao, Chairman of the China National Tourism Administration, in Sydney in February 2017. Mr Ciobo participated in bilateral discussions with Dr Li, and Dr Li also attended a tourism industry networking event hosted by Austrade and Tourism Australia, with accompanying business and tourism officials.

A range of tourism-related events and activities are being held by both countries throughout 2017 to celebrate the China–Australia Year of Tourism, including a tourism delegation to China, led by Mr Ciobo, which participated in Australian events for the China–Australia Year of Tourism in Beijing and Shanghai.

Tourism Research Australia

Tourism Research Australia (TRA) is Australia’s leading provider of quality tourism intelligence across both international and domestic markets. TRA’s work contributes to the economy of Australia by providing industry with information to strengthen marketing and business decisions. TRA’s data, including from the International Visitor Survey and the National Visitor Survey, underpins government tourism policy and helps improve the performance of the tourism industry for the benefit of the Australian community, creating prosperity and growth in regional and metropolitan Australia.

$122.9b in total tourism expenditure generated in 2016–17, up 6 per cent

10 research roundtables hosted across the country by Tourism Research Australia and other stakeholders

$3b+ investment generated by six major tourism projects, supported through Austrade’s Tourism Major Project Facilitation service

1,800+ Australian tour guides and 80 inbound tour operators approved to participate in the Approved Destination Status scheme
**International Visitor Survey**

International visitor spend achieved the $40 billion mark for the first time in 2016–17. With a record 7.9 million international visitors aged 15 years and over choosing to travel to Australia, up 8.7 per cent on the previous year, their spend reached a record $40.6 billion, up by 6.5 per cent.

Strong growth was reported across the majority of Australia’s major tourism markets. Asia led the way, with nine of the top 10 Asian markets recording double-digit percentage growth in visitor numbers. This includes China, India, Japan, Malaysia, Hong Kong, Indonesia, Taiwan, Thailand and Korea.

The top five contributors to spend were China, the United States, the United Kingdom, New Zealand and Japan, with these countries contributing just over half (52.9 per cent, or $21.5 billion) of the total spend for the year (Table 15). These markets also accounted for just over half (52.9 per cent or 4.2 million) of all international visitor arrivals.

**National Visitor Survey**

There were strong results for domestic travel in 2016–17, with domestic overnight spend increasing 6.6 per cent to reach a record $62.6 billion. This growth occurred on the back of a 5.2 per cent increase in domestic overnight trips, reaching a record 93.7 million. Nights also increased, up 3.7 per cent on the previous year to 337.9 million.

Domestic day trip spend grew 2.9 per cent to a record $19.7 billion, while the number of day trips was steady for the year at 187.7 million—a similar number to the previous year. Total overnight spend in Australia reached the $103.2 billion mark in 2016–17, with combined international spend of $40.6 billion and domestic overnight spend of $62.6 billion. Together with domestic day-trip spend of $19.7 billion, total tourism expenditure for the year reached $122.9 billion, an increase of 6 per cent or $6.9 billion over the previous year (Figure 27).

**Figure 27: Total tourism expenditure, 2016–17**
Table 15: The top five contributors to spend, 2016–17

<table>
<thead>
<tr>
<th>Country</th>
<th>Visitors (million)</th>
<th>Nights (million)</th>
<th>Spend ($b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.161</td>
<td>51.5</td>
<td>9.8</td>
</tr>
<tr>
<td>United States</td>
<td>0.706</td>
<td>15.1</td>
<td>3.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.682</td>
<td>24.4</td>
<td>3.5</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1.229</td>
<td>14.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Japan</td>
<td>0.391</td>
<td>10.0</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Tourism industry roundtables

TRA, in conjunction with Tourism Australia, tourism jurisdictions and tourism industry councils, undertook a series of 10 tourism research roundtables across the country. These roundtables built on the outcomes of the first series, held in 2015–16, by focusing on building a better understanding of stakeholders’ data needs and how alternative data can be used to meet these needs. Participants highlighted the need for regional and business events data. A key outcome from the roundtables was the need for a one-stop shop and collaboration space for tourism research. Roundtable participants discussed the scope and functionality that would be required to deliver this initiative. This discussion will inform TRA's future work plan.

Dane Richmond
Assistant Trade Commissioner, Shanghai

Dane Richmond is an Assistant Trade Commissioner in Shanghai, a role he commenced in April 2017 as part of the Trade Commissioner Development Program. Before this, he was a team leader in Austrade’s Tourism Division, working on the development and delivery of tourism policy for China. His knowledge in this area has been invaluable in his current role in Shanghai, with China Australia’s fastest growing and most valuable tourism market.

Dane is passionate about linking related trade streams to tourism in China to drive mutually beneficial outcomes. ‘When tourists visit Australia, they sample what Australia has to offer and are likely to have Australia front of mind when they return, which presents an opportunity across other sectors’, said Dane.

Prior to joining Austrade, Dane worked for a number of Australian Government agencies. He also worked for a startup, which he believes was instrumental in his ability to communicate with clients and help them access the Chinese market. His language skills in Mandarin and Korean and the cultural insights he has gained living and studying in Asia have also been increasingly valuable. ‘Understanding the culture and language can help you establish rapport far more efficiently. It helps to demonstrate you are invested in the market and its people’, said Dane.

Dane has a Bachelor of Asian Studies (China) and a Master of Arts (Strategic Studies) from the Australian National University.
Purpose 4: Strengthen Australia’s tourism industry

Program 1.2: Programs to promote Australia’s export and other international economic interests

Tourism Demand-Driver Infrastructure program

The Tourism Demand-Driver Infrastructure (TDDI) program commenced in 2014–15. Worth $43.1 million over four years, it is delivered through a National Partnership project agreement. Austrade directly administers the program and the Treasury is the appropriated entity. Funds are provided to state and territory governments, which are responsible for selecting projects that match their regional tourism priorities. All eight states and territories are signatories to the TDDI National Partnership project agreement.

The TDDI program is designed to support the delivery of tourism infrastructure projects, contributing to Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure.

TDDI principles require state and territory governments to align projects to one or more of Tourism 2020’s strategic areas, demonstrate each project will provide a return on the Government’s investment across the tourism supply chain, and ensure Australian Government funding is at least matched by funding from other sources.

In 2016–17, a total of $10.2 million in TDDI funding was distributed. Due to movement of program fund requests in previous program years, available funding at the start of 2016–17 was over $15 million. The final 2016–17 funding allocation was reduced to $10.4 million due to six states and territories requesting a movement of $4.7 million of the 2016–17 program funds into the final year of the program.

A total of 65 projects across Australia were approved for funding in 2016–17, as shown in Table 16. State and territory governments selected projects based on their tourism priorities and alignment with the program principles, and selected a range of processes to allocate TDDI funding.

Projects funded in 2016–17 included:

› infrastructure to support nature-based tourism, including walks and trails with interpretation, rail trails and bike tracks
› digital and technology-based products and experiences to improve visitor dispersal and engagement, including language and region-based apps, free public wi-fi and a tourism industry crisis management system
› accommodation development and upgrades for hotels, luxury ecotourism wilderness cabins, flexible ‘pop-up’ accommodation and a range of camping facilities
› service improvement training in regional areas, including industry capability training, mentoring for tourism businesses and an alternative labour pool pilot program
› construction of new, or improvements to existing, tourism attractions, including event venues, interpretation and visitor centres, an Indigenous art gallery, jetties for cruise ship facilities, infrastructure enabling accessible tourism and infrastructure for electric vehicles.
Table 16: Tourism Demand-Driver Infrastructure projects approved for commencement in 2014–15, 2015–16 and 2016–17

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>2014–15</th>
<th>2015–16(a)</th>
<th>2016–17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>NSW</td>
<td>0</td>
<td>3</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>NT</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>26</td>
</tr>
<tr>
<td>QLD</td>
<td>3</td>
<td>12</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td>SA</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>TAS</td>
<td>10</td>
<td>16</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>VIC</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>WA</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>33</td>
<td>63</td>
<td>65</td>
<td>161</td>
</tr>
</tbody>
</table>

(a) In its 2015–16 annual report, Austrade reported six TDDI projects were approved for commencement in Victoria in 2015–16. Two projects were withdrawn the following year, reducing the number to four. The table above has been updated to reflect this change, with the total number of projects for 2015–16 also changing from 65 to 63.

Information on projects funded under the TDDI program is available at federalfinancialrelations.gov.au/content/npa/other.aspx.

The TDDI program was also identified as an area of interest by the Australian National Audit Office (ANAO) in its audit report, Strengthening Australia’s Tourism Industry. No adverse findings were made in relation to the TDDI program and Austrade received generally positive feedback from the ANAO on its management of the program. For more information on the ANAO audit and report, see page 116.

Queensland Tourism Tropical Cyclone Debbie Recovery Package

Tropical Cyclone Debbie hit the Whitsundays region of Queensland in March 2017. In response to this natural disaster, a $10 million tourism recovery package was announced by the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, along with the Hon Annastacia Palaszczuk MP, Premier of Queensland, and the Hon Kate Jones MP, Queensland Minister for Tourism, Major Events and the Commonwealth Games. The funding package included $7 million to support tourism projects and $3 million for marketing and promotion. Funding was matched across federal and state governments.

Austrade is responsible for delivering $3.5 million to support projects identified by the Queensland Government that will rebuild or add to tourism infrastructure in the region. The projects will be required to follow the same principles as the existing Tourism Demand-Driver Infrastructure (TDDI) program.

Given its alignment with the TDDI program, the Queensland Tourism Tropical Cyclone Debbie Recovery Package is being delivered through a National Partnership project agreement between the Commonwealth and Queensland governments. Austrade is directly administering the recovery package and the Treasury is the appropriated entity. The National Partnership project agreement was signed by Commonwealth and Queensland tourism...
ministers in June 2017, with the funding made available to Queensland after the agreement was signed.

A schedule of projects is expected to be signed off by both tourism ministers in early 2017–18. The Queensland Government will provide regular update reports through to the conclusion of the final project. The remaining $1.5 million of the Commonwealth contribution to the recovery package will be delivered by Tourism Australia.

Tasmanian Tourism Growth Package

In June 2016, the Australian Government announced funding of $5 million to support jobs and growth in the Tasmanian tourism industry through the Tasmanian Tourism Growth Package. The package includes funding for infrastructure, events and feasibility studies, with funding directed to six specific projects. Austrade was assigned responsibility for delivering three feasibility study projects with a value of $1.1 million. The remaining projects are being administered by the Department of Infrastructure and Regional Development and the Department of Communications and the Arts.

The three projects being administered by Austrade are:

› Cradle Mountain Master Plan—$1 million to engage a project director and complete a full business case and economic impact statement to progress the Cradle Mountain Master Plan to an investment-ready stage

› Geeves Effect—$70,000 to complete a demand study into the Geeves Effect, a wilderness precinct development proposal for the Lake Geeves area

› FermenTasmania—$50,000 to complete a full business case and scoping study for a world-class fermentation centre to help boost sustainable Tasmanian development in food manufacture, value-adding and tourism.

In line with Austrade’s existing tourism funding delivery method, the Tasmanian Tourism Growth Package is being delivered through a National Partnership project agreement between the Commonwealth and Tasmanian governments. Austrade directly administers the Tasmanian Tourism Growth Package and the Treasury is the appropriated entity. The National Partnership project agreement was signed by the Commonwealth and Tasmanian tourism ministers in February 2017.

Under the project agreement, the Tasmanian Government is responsible for delivering the three projects through contractual agreements with relevant recipients for the Geeves Effect and FermenTasmania projects. Delivery of the Cradle Mountain Master Plan funding is being managed by the Tasmanian Government through the Cradle Mountain Master Plan Steering Committee.

Funding was delivered to the Tasmanian Government in April 2017 in accordance with the project agreement. The Tasmanian Government will continue to provide regular reports on the progress of each project. Final reporting will include advice on whether proposals will progress to the investment stage.
Outlook for 2017–18
Purpose 4: Strengthen Australia’s tourism industry

In 2017–18, Austrade will continue to focus on the delivery of Tourism 2020, while working with industry and governments on developing the next phase of the long-term tourism strategy, beyond 2020.

Regional investment and dispersal will remain a priority with the implementation of the Regional Tourism Infrastructure Investment Attraction Strategy.

Tourism Research Australia will continue to improve the data available to industry by further exploring and evaluating alternative data sources. This will ensure the tourism industry and governments have the information needed to make business and policy decisions in an increasingly competitive environment.

State and territory requests for movement of funds from previous financial years have increased funding for the Tourism Demand-Driver Infrastructure program in 2017–18 by approximately 80 per cent compared to the original planned allocation. This large increase could make it difficult for states and territories to assign their full funding to projects, which must be complete by 30 June 2018. Austrade will focus on raising awareness of the risks associated with these circumstances, and work with state and territory governments to successfully deliver the final year of the program in 2017–18.

Austrade will continue to work with the Queensland Government to monitor the progress of the approved projects under the Queensland Tourism Tropical Cyclone Debbie Recovery Package. All projects are expected to be complete by 30 June 2020.

Austrade will also continue to work with the Tasmanian Government to monitor the progress of the three Tasmanian Tourism Growth Package projects. The Geeves Effect and FermenTasmania projects are expected to be complete in early 2017–18. The Cradle Mountain Master Plan project is expected to be complete by 30 June 2018.
Purpose 5: Help Australians with consular and passport services

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 5 as set out in its 2016–17 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the 2016–17 Portfolio Budget Statements, specifically Outcome 2, Program 2.1. For a summary of results against Austrade’s performance criteria, see Austrade’s performance statement on pages 19–34.

Outcome 2

The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

Program 2.1: Consular and passport services

Purpose 5 achievements

Austrade has met or exceeded its forecasts for Purpose 5, with examples highlighted below.

98.5%
of the 16,568 passport applications received at Austrade consular offices during 2016–17 were scanned within 24 hours, well within the 3 per cent tolerance benchmark objective agreed with the Australian Passport Office.

Austrade processed 99 per cent of routine passport applications within three weeks, well within the 3 per cent tolerance benchmark objective agreed with the Australian Passport Office.

1,186applications for emergency travel documents were processed by Austrade. All were issued in a timely and responsive manner, exceeding the forecast set out in the 2016–17 Portfolio Budget Statements.
Purpose 5: Help Australians with consular and passport services

Program 2.1: Consular and passport services

Austrade-managed consulates

Austrade provides consular services in designated locations where the Department of Foreign Affairs and Trade (DFAT) does not have a presence. At 30 June 2017, Austrade operated consulates for the Australian Government in 15 overseas locations (see Table 17). In May 2017, DFAT opened an embassy in Bogota, Colombia, and consular and passport responsibilities transferred from Austrade to DFAT. Austrade continued to provide assistance with the delivery of consular services for the remainder of the reporting year, and will maintain an office there.

Table 17: Austrade-managed consulates, at 30 June 2017

<table>
<thead>
<tr>
<th>Austrade-managed consulates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
</tr>
<tr>
<td>Dubai</td>
</tr>
<tr>
<td>Frankfurt</td>
</tr>
<tr>
<td>Fukuoka</td>
</tr>
<tr>
<td>Houston</td>
</tr>
<tr>
<td>Istanbul</td>
</tr>
<tr>
<td>Milan</td>
</tr>
<tr>
<td>Osaka</td>
</tr>
<tr>
<td>Prague(a)</td>
</tr>
<tr>
<td>San Francisco</td>
</tr>
<tr>
<td>Sao Paulo</td>
</tr>
<tr>
<td>Sapporo</td>
</tr>
<tr>
<td>Toronto</td>
</tr>
<tr>
<td>Vancouver(a)</td>
</tr>
<tr>
<td>Vladivostok</td>
</tr>
</tbody>
</table>

(a) Consulates managed by an honorary consul.

Daniel Hunter and Kenneth Lewis Consular officers, San Francisco

Daniel Hunter (left) and Kenneth Lewis (right) are well known throughout the large Australian community in San Francisco for the high level of consular support they provide, often attracting high praise. On a daily basis, they assist a myriad of Australian travellers who pass through the San Francisco office.

Daniel has been in San Francisco for over two years, having previously worked for the Department of Foreign Affairs and Trade at its embassy in Washington DC. ‘In addition to the diverse daily tasks, we also take great pride in our ability to help Australians when things are not going well’, Daniel said.

Kenneth, who formerly worked at Austrade’s consulate in Toronto, said it’s the diversity of the role that makes it so interesting. ‘On any day we can be dealing with distressed Australians who have lost all their belongings, through to people who simply want to renew passports’, Kenneth said. ‘It’s a busy job but it is important that we treat each person as an individual, and we know how important it is for us to be professional and efficient.’
Austrade consulates provide a range of services to Australians travelling, working and living overseas, including notarial services; assistance with welfare issues, missing persons, whereabouts enquiries, arrest or detention matters, deaths and medical emergencies; support for victims of serious crime; processing new passport applications and replacing lost or stolen passports; and detecting attempted document or identity fraud.

In 2016–17, Austrade provided high-quality and responsive consular support to 822 Australians in difficulty overseas, including assistance to 60 people imprisoned overseas, 117 people requiring medical assistance or hospitalisation, and support to the families of 120 people who died overseas.

The number of passport applications received by Austrade increased by 12.5 per cent, from 14,726 in 2015–16 to 16,568 in 2016–17, with 99 per cent of applications processed within the required timeframe. Accuracy rates for processing passport applications were high, with 98.35 per cent processed without error as received by DFAT’s consolidated monthly reports. Austrade issued 1,186 emergency travel documents to Australians overseas in 2016–17.

The number of notarial acts performed decreased by 37.8 per cent from 12,861 in 2015–16 to 7,996 in 2016–17. Table 18 provides a summary of consular and passport services provided by Austrade consulates from 2012–13 to 2016–17.

Austrade worked closely with the Australian Electoral Commission to deliver in-person voting services for the 2016 federal election across 13 of its overseas locations, taking a total of 5,431 votes.

Austrade undertook practical contingency planning throughout the year and, through training and development, strengthened its crisis response capabilities in locations overseas where it has consular management responsibilities. Austrade continued to work closely with Australian embassies, high commissions and DFAT’s consular operations and passport branches in Canberra.

Austrade also worked with DFAT’s crisis management section in the planning and preparation for major events such as the Olympic Games in Rio de Janeiro, Brazil, and the Asian Winter Games in Sapporo, Japan. Austrade’s office in Istanbul, Turkey, also provided high-level consular services during several difficult situations (see page 130).

Table 18: Consular and passport services provided by Austrade, 2012–13 to 2016–17

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Australians who received consular support from Austrade(a)</td>
<td>90,874</td>
<td>808</td>
<td>891</td>
<td>829</td>
<td>822</td>
</tr>
<tr>
<td>No. of notarial acts performed by Austrade</td>
<td>11,639</td>
<td>14,342</td>
<td>12,558</td>
<td>12,861</td>
<td>7,996</td>
</tr>
<tr>
<td>No. of passport applications received by Austrade</td>
<td>11,258</td>
<td>11,571</td>
<td>13,486</td>
<td>14,726</td>
<td>16,568</td>
</tr>
</tbody>
</table>

(a) In 2013–14, Austrade realigned its reporting of consular assistance to show the number of instances where significant assistance was provided to Australian citizens, rather than the number of general enquiries. Significant assistance includes assistance provided to citizens arrested or imprisoned overseas or who require medical assistance or hospitalisation, and support provided to families of citizens who die overseas. This methodology is consistent with the approach taken by DFAT, and accounts for the significant change in figures from the 2012–13 to the 2013–14 reporting years.
Delivering services in a heightened risk environment

The Austrade-managed consulate-general in Istanbul operated in a heightened risk environment throughout the year, with multiple terrorist attacks carried out in the city, including attacks on Atatürk Airport (Istanbul’s international air gateway) and the Reina nightclub, as well as a bombing at Beşiktaş stadium, close to the consulate-general. These significant terrorist events were compounded by a failed military coup and civil disruption.

Austrade’s consular team in Istanbul, with the support of other Austrade staff in the office, responded immediately to each of these incidents to ascertain the safety of Australian citizens. This required close liaison with local authorities and other consulates-general. An important component of the consular response was not only the teamwork required among the Austrade team, but the strong liaison with the Department of Foreign Affairs and Trade staff in Istanbul, Ankara and Canberra, to ensure up-to-date and accurate advice could be rapidly provided to inform Australian citizens of the emerging situation, and relevant updates made to Smartraveller advice.

Austrade’s response in Istanbul is further strengthened by making sure its contingency plans are tested and fit for purpose, and are modified to better deal with the deteriorating security environment.

Outlook for 2017–18

Purpose 5: Help Australians with consular and passport services

Austrade’s offshore consular staff will participate, where possible, in regional consular and passports training, delivered by DFAT, in the United States in November 2017 and in Europe around May 2018.

Austrade will also continue to support its consular offices to provide high-quality consular services to Australians overseas.
Management and accountability

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Corporate and operational planning 142
Legislative framework and external scrutiny 143
Management of human resources 145
Financial management and business assurance 160
Managing knowledge and information 164
Management and accountability

Austrade is established by the *Australian Trade and Investment Commission Act 1985*, and under that legislation, its Chief Executive Officer (CEO) reports to the Minister for Trade, Tourism and Investment. It is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* and a statutory agency under the *Public Service Act 1999*. Austrade has an executive management governance structure headed by its CEO, and is part of the Foreign Affairs and Trade portfolio.

**Corporate governance**

Austrade’s corporate governance framework supports the achievement of the agency’s purposes, objectives, deliverables and key performance indicators in an efficient, effective and ethical manner, meeting legislative, policy and accountability requirements. The framework provides a mature system for managing risk and human and financial resources through planning and assurance processes.

Austrade’s corporate governance framework is consistent with the Australian National Audit Office better practice guide, *Public Sector Governance: Strengthening Performance through Good Governance*, published in June 2014. Austrade’s Audit and Risk Committee periodically reviews the corporate governance framework and makes recommendations to the CEO for consideration.

**Chief Executive Officer**

The functions and duties of the CEO are established through the *Australian Trade and Investment Commission Act 1985*. The Minister for Trade, Tourism and Investment may give the CEO directions with respect to the performance of her functions and exercise of powers under the Act. No ministerial directions were issued in 2016–17.

The CEO is assisted in her role by the Executive Group, an Audit and Risk Committee, and an Ethics Committee, as well as three management committees—the Workplace Relations Committee, the Security Advisory Group and the Capital Committee. The Audit and Risk Committee and the Ethics Committee have independent chairpersons, and the Audit and Risk Committee also has an additional independent member.

Bruce Gosper was CEO of Austrade until 4 January 2017. Grame Barty, the then Executive Director, International Operations, acted in the role until 19 February 2017, with Dr Stephanie Fahey commencing as CEO of Austrade on 20 February 2017.

**Austrade’s Executive Group**

Austrade’s Executive Group advises the CEO on strategic priorities, and corporate, operational and divisional plans, as well as corporate policy and key management and operational issues. It met 41 times in 2016–17.

There were a number of Executive staffing changes throughout the year. Marcia Kimball was Chief Operating Officer until her retirement on 10 March 2017. Philippa Dawson held the position until 31 May 2017, and Nick Nichles commenced in the role as acting Chief Operating Officer from 1 June 2017. Grame Barty was Executive Director, International Operations until 19 May 2017, and Michael Clifton commenced in the role of acting Executive Director, International Operations Group from 20 May 2017. Jane Madden was Executive Director, Tourism, Investment, Education and Programs Group until 31 May 2017, and Rob Donelly commenced in the role as acting Executive Director, Tourism, Investment, Education and Programs Group from 1 June 2017.
The Executive Group was also expanded towards the end of the reporting year to include Austrade’s Chief Information Officer, Chief Human Resources Officer, and Project Lead, CEO Initiatives.

The members of the Executive Group at 30 June 2017 are pictured above and listed below. Austrade’s executive management structure is shown in Figure 28 on page 135.

**Stephanie Fahey—Chief Executive Officer**
Responsible for the management of Austrade and reports directly to the Minister for Trade, Tourism and Investment.

Stephanie Fahey has been Austrade’s CEO since 20 February 2017. Before joining Austrade, she was Lead Partner for Education at professional services firm EY, and prior to that, Deputy Vice-Chancellor (Global Engagement) at Monash University in Melbourne. Stephanie has also served as the Director of the Research Institute for Asia and the Pacific at the University of Sydney, which conducted research on business and the economies of Asia.

Stephanie has a PhD from the Australian National University, where she focused on the socio-economic development of Papua New Guinea. After her doctoral studies, she pursued a teaching and research career, looking at growth in the Asia-Pacific region, particularly in Vietnam.

**Michael Clifton—Executive Director, International Operations Group (acting)**
Responsible for Austrade’s offshore network, international issues, trade, marketing, communications and free trade agreement program.

Michael Clifton joined Austrade in 1998. His career path includes almost 20 years in trade and defence appointments across Asia and
the Middle East. He is a graduate of the Royal Military College, Duntroon, and holds a Bachelor of Arts (Honours) from the University of New South Wales.

**Rob Donelly—Executive Director, Tourism, Investment, Education and Programs Group (acting)**

Responsible for tourism policy and research, investment, international education, and the Export Market Development Grants scheme and other programs.

Rob Donelly joined Austrade in 2017, bringing an in-depth knowledge of Australia’s investment environment. He joined Austrade from the Treasury, where he was Head of the Foreign Investment and Trade Policy Division and the Executive Member of the Foreign Investment Review Board. He was previously the Treasury’s Chief Financial Officer. Rob holds degrees in Economics and Commerce from the Australian National University and is a Fellow of CPA Australia.

**Nick Nichles—Chief Operating Officer (acting)**

Responsible for national and international human resource management; finance; legal, procurement and fraud; and security, consular and property.

Nick Nichles joined Austrade in 2012 as General Manager, Marketing, Online and Business Practice. Prior to joining Austrade, he was the CEO of NSW Lotteries Corporation and has also held C-level commercial and marketing roles at McDonald’s Australia and Foxtel. Nick holds a Bachelor of Business from Queensland University of Technology, a Graduate Diploma of Marketing from University of Technology Sydney, and is a graduate of the Australian Institute of Company Directors.

**Lynne Ashpole—Head of Executive Branch**

Responsible for managing the CEO’s office; corporate strategy, planning and reporting; corporate governance, risk management and internal audit; policy coordination and strategic projects; business practice and evaluation; and Austrade’s media unit.

Lynne Ashpole joined Austrade in 2013. Before that, she was a senior adviser to a minister in the Australian Government, and to ministers in the Northern Territory and New South Wales. She has worked in legal and policy positions in the Commonwealth Attorney-General’s Department, the NSW Ministry for Police and the NSW Cabinet Office, including as the inaugural director of the NSW Better Regulation Office. Lynne has a Bachelor of Law and a Master of Public Policy, and is a graduate of the Australian Institute of Company Directors.

**Nils van Boxsel—Chief Information Officer**

Responsible for Austrade’s global ICT communications network and ICT-enabled business solutions, as well as setting the strategies and future directions for Austrade’s digital transformation investments.

Nils van Boxsel joined Austrade in 2008. He has more than 20 years’ experience in the IT industry in the commercial and government sectors, and as a consultant in the defence sector. Before joining Austrade, Nils worked at Microsoft as the Enterprise Lead for the Microsoft Australian Architecture team in the Platform Strategy Group. Nils holds a Bachelor of Applied Science in Computer and Information Science (including Business Studies) from the University of South Australia and has completed several senior leadership courses at the Melbourne Business School.
Daniel Boyer—Project Lead, CEO Initiatives
Short-term role responsible for a range of projects aimed at positioning Austrade to manage the challenges and opportunities associated with a changing global economic environment.

Daniel Boyer joined Austrade in 2014 as the Assistant General Manager for Tourism Policy and Operations and became General Manager, Tourism Division in 2016. Before joining Austrade, Daniel worked in senior roles at the Department of Immigration and Border Protection and was responsible for Australia’s offshore humanitarian visa program, and visa operations across North Asia and the Mekong region (based in Beijing). Daniel holds a Bachelor of Economics (Macroeconomics and Government) from the University of Tasmania, a Diploma of Freelance Journalism from the Australian College of Journalism, and a Diploma of Project Management from the University of New England.

Maureen Dupree—Chief Human Resources Officer
Responsible for Austrade’s global workforce, employment and capability framework, strategy and programs.

Maureen Dupree commenced with Austrade in 2014. She has extensive experience in strategic planning, change management, and human resource and business management across a range of public and private sector organisations. Maureen has undertaken postgraduate studies in Employment Relations and Industrial Law at the University of Canberra, and has a Bachelor of Business from Charles Sturt University.

Management committees
Members of Austrade’s Executive Group chair committees on security, workplace relations and Austrade’s capital program. These committees report to the Executive Group and support governance, inform operations, and provide mechanisms for consultation and communication with staff. Austrade’s committees in 2016–17, and their roles, activities and participants, are listed in Table 19 on page 136.

Figure 28: Austrade’s executive management structure
## Table 19: Austrade’s committees in 2016–17

<table>
<thead>
<tr>
<th>Committee</th>
<th>Role and activities</th>
<th>Participants at 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Group</strong></td>
<td>Provides a forum for strategic discussion and advice to the CEO on areas of organisational strategy, corporate governance, policy, and management and accountability, including financial management</td>
<td>CEO (chair), executive directors, Chief Operating Officer, Head of Executive Branch, Chief Information Officer, Chief Human Resources Officer, Project Lead CEO Initiatives, and other staff to provide specialist input as required</td>
</tr>
<tr>
<td><strong>Audit and Risk Committee</strong></td>
<td>Provides independent assurance and advice to the CEO on Austrade’s risk, control, compliance and external accountability responsibilities</td>
<td>Two independent members: David Lawler (chair) and Jennifer Clark. Internal Austrade member: General Manager, Tourism Division (acting)</td>
</tr>
<tr>
<td><strong>Ethics Committee</strong></td>
<td>Helps promote high standards of ethical behaviour throughout Austrade, provides clear and consistent guidance on standards of conduct, and evaluates the effectiveness of Austrade’s policies and practices in relation to ethical behaviour</td>
<td>Independent member: Simon Longstaff (chair). Internal Austrade members: Chief Operating Officer (deputy chair); Head of Executive Branch; Chief Human Resources Officer; Chief Counsel, Legal, Procurement and Fraud; and a cross-section of senior managers from onshore and offshore</td>
</tr>
<tr>
<td><strong>Management committee (reporting to the Executive Group)</strong></td>
<td>Provides advice on the management of security issues, including policy, planning and risk management; also considers specific security issues in business units and overseas offices</td>
<td>Chief Operating Officer (chair); Assistant General Manager, Security, Consular and Property; Chief Human Resources Officer; Executive Director, International Operations; Chief Information Officer; Chief Counsel, Legal, Procurement and Fraud; Global Manager, ICT Delivery; Senior Human Resources Adviser; Agency Security Adviser; and Information Technology Security Adviser</td>
</tr>
<tr>
<td><strong>Security Advisory Group</strong></td>
<td>Provides advice and consults with staff and management on workplace relations and change management issues</td>
<td>Chief Human Resources Officer (chair), two Senior Executive Service managers, an Australia-based offshore employee, six Austrade Performance Level 1–5 staff representatives, and a Community and Public Service Union representative</td>
</tr>
<tr>
<td><strong>Workplace Relations Committee</strong></td>
<td>Provides advice on the priorities of the capital program to enable Austrade to meet its corporate objectives while minimising associated business risk</td>
<td>Chief Operating Officer; Chief Finance Officer; executive directors; and Head of Executive Branch</td>
</tr>
</tbody>
</table>
Audit and Risk Committee

The Audit and Risk Committee provides independent assurance and advice to the CEO on Austrade’s risk, control, compliance and external accountability responsibilities. The committee’s processes are consistent with the Australian National Audit Office better practice guide, Public Sector Audit Committees: Independent Assurance and Advice for Accountable Authorities, published in March 2015.

At 30 June 2017, the committee consisted of two independent members and one internal Austrade member. The independent members for 2016–17 were David Lawler (chair) and Jennifer Clark, and the internal Austrade member was Dan Williams, General Manager, Tourism Division (acting). Their profiles are listed below. The committee met five times in 2016–17.

Jennifer Clark—Independent member

Jennifer Clark has been a non-executive director since 1991 and an investment banker for over 20 years. Jennifer is Deputy Chair of the board of the Australian Maritime Safety Authority and a non-executive director of Australian Payments Network Limited. She is the chair or an independent member of a number of other audit committees in public sector organisations, including the Australian Taxation Office, the Department of Defence, the Department of Finance, the Attorney-General’s Department, the Australian Bureau of Statistics and the Australian Commission on Safety and Quality in Health Care.

David Lawler—Independent member and Chair

David Lawler has an extensive background in international banking and finance. He was Chief Audit Executive of the Commonwealth Bank of Australia before accepting non-executive directorships and public sector advisory roles. David is Chairman of Australian Settlements Limited and a member of the Audit, Compliance and Risk Management Committee of the listed Australian Leisure and Entertainment Property Group.

David’s other advisory roles include audit and risk committee positions with the Department of Foreign Affairs and Trade, the Australian Office of Financial Management, the Australian Maritime Safety Authority, Cancer Australia, the National Mental Health Commission and the Australian Sports Anti-Doping Authority.

Dan Williams—General Manager, Tourism Division (acting)

Dan Williams has worked with Austrade since 2000, primarily in trade commissioner roles in Fiji and the Philippines, and more recently as manager of the major infrastructure investment team, before joining Austrade’s Tourism Division. Prior to joining Austrade, he worked in business development at the Export Finance and Insurance Corporation, and for a number of exporting and shipping companies in Australia and overseas in managerial roles spanning marketing, strategy and the establishment of joint ventures in international markets. Dan holds a Bachelor of Economics and Finance from the University of New South Wales, has completed formal studies in maritime law and commercial shipping practice, and speaks Japanese.

Ethics Committee

The Ethics Committee, independently chaired by Dr Simon Longstaff of the Ethics Centre, comprises a cross-section of onshore and offshore senior managers. It provides advice and guidance on standards of conduct and complex eligibility cases, evaluates the effectiveness of
Austrade’s policies and practices in relation to ethical behaviour, and helps to promote high standards of ethical behaviour throughout Austrade. The committee met twice in 2016–17.

The Austrade Executive members of the Ethics Committee, at 30 June 2017, were Rob Donnelly, Executive Director, Tourism, Investment, Education and Programs Group (acting); Nick Nichles, Chief Operating Officer (acting); Lynne Ashpole, Head of Executive Branch; and Maureen Dupree, Chief Human Resources Officer (see profiles on pages 134–5). The profiles of the other members, including the chair, are included below.

**Simon Longstaff AO—Independent Chair**
Simon Longstaff joined the Ethics Centre in 1991 as its first Executive Director. Simon has a PhD from the University of Cambridge, where he undertook postgraduate studies in philosophy. He is a Fellow of CPA Australia and, in June 2016, was appointed Honorary Professor at the Australian National University’s National Centre for Indigenous Studies. Simon was previously a Fellow of the World Economic Forum and, having served as the inaugural President of the Australian Association for Professional and Applied Ethics, he now serves on a number of boards and committees.

**David Landers—Internal Austrade member**
David Landers joined Austrade in 2011 and is currently the General Manager for the Americas, Europe, Middle East and Africa. David’s career spans a number of markets, and he has experience operating and living in China, Indonesia and India. Prior to Austrade, David held C-level roles in venture capital, startup management, a multinational company and consulting. He has experience as a board director, and is an institutional fund fiduciary.

**David Tonkin—Internal Austrade member**
David Tonkin joined Austrade in 1995. In his role as Chief Counsel, David has been directly involved in a broad range of matters involving trade disputes, litigation and cases of international corruption and fraud. He also has practical experience in a challenging market, having acted as Trade Commissioner in Moscow in 2012. Prior to joining Austrade, David was a partner in a prominent law firm and started a legal research business and record label in Los Angeles. David holds a Bachelor of Laws and Commerce from the University of Melbourne.

**Amanda Hodges—Internal Austrade member**
Amanda Hodges joined Austrade in 1997. She is currently the Senior Trade and Investment Commissioner in Seoul and also leads Austrade’s Mongolia team. Amanda was previously Senior Trade and Investment Commissioner, Mumbai, where she led Austrade’s South Asia investment, innovation and technology sector teams. Amanda has held a number of senior roles at Austrade, including country/post manager and Consul-General in Italy (Milan), the United States (Atlanta), the United Arab Emirates (Dubai) and Turkey (Istanbul). Amanda graduated in International Business Relations and Korean at Griffith University and Korea University, Seoul.

David has an MBA from the New York University Stern School of Business and is an honours graduate of the International Management Program at the Stockholm School of Economics. He received his Bachelor of Science degree from Babson College and has been a Fellow of the Australian Institute of Company Directors since 2003.
Risk management

The CEO meets the risk management requirements of section 16 of the Public Governance, Performance and Accountability Act 2013 by having Austrade managers develop mitigation strategies and actions for identified agency risks in the agency risk management plan, and reporting progress against those risks to the Audit and Risk Committee and the Executive Group on a quarterly basis. This assists in providing assurance to the CEO that agency risks are being managed appropriately and are closely monitored. Operational risks are identified in market and divisional business plans, and mitigation strategies are documented. These risks are monitored by senior managers and discussed with the Audit and Risk Committee on a periodic basis.

Throughout 2016–17, Austrade continued to manage its exposure to risk and mitigate adverse consequences through the implementation of risk management principles and practices, as outlined in the Chief Executive’s Instruction on risk management, Austrade’s risk management policy and procedure, and the corporate governance framework.

Austrade’s 2016–17 agency risk management plan was prepared in accordance with the risk management standard ISO 31000:2009 and the Commonwealth Risk Management Policy. The plan identifies risks with the potential to affect Austrade’s ability to achieve the objectives and priorities set out in its corporate plan.

Austrade continued to strengthen its risk management framework and, during 2016–17, updated its risk appetite statement to create a more nuanced statement, taking into account the potential positive benefits of engaging with risk.

Internal controls

The Audit and Risk Committee and Austrade’s internal audit service provider have both noted the mature nature of the agency’s internal control framework. The main features include:

› policies and procedures, including Chief Executive Instructions, that support compliance with legislative and administrative requirements

› a positive compliance and management environment supported by an effective schedule of delegations

› an effective internal audit function that includes both performance and compliance audits

› an effective risk management framework, including fraud controls, risk management plans, security and business continuity management, and disaster recovery plans

› compliance with the Australian Public Service Values and Code of Conduct and the Public Governance, Performance and Accountability Act 2013

› monitoring controls through effective planning at the corporate, operational and business unit levels, and ongoing budget management

› accountability mechanisms, including reports, reviews and individual performance management arrangements.

Each year, all staff complete a mandatory Austrade corporate policy refresher module. In 2016–17, the online module included sections on work health and safety, anti-bribery, fraud prevention, corporate governance, procurement, security, finance, Privacy Act obligations, and ethical business behaviour. Corporate training was also delivered throughout 2016–17 to keep staff informed and aware of current corporate policies and procedures.
Internal audit

The activities of Austrade’s internal auditor are defined by a risk-based annual audit plan endorsed by the Audit and Risk Committee and approved by the CEO. All significant Austrade activities are considered to be within the ambit of internal audit. The internal audit plan seeks to coordinate internal audit activity with other assurance activities and mechanisms, including external audits and Australian National Audit Office better practice guides.

During the year, 10 compliance and performance audits were undertaken by Austrade’s internal audit service provider, PwC. The internal auditor observed Austrade has a strong system of internal controls and operates within a mature control framework. The internal auditor did not identify any serious control breakdowns.

In accordance with the International Standards for the Professional Practice of Internal Auditing, produced by the Institute of Internal Auditors, Austrade conducted an independent assessment of its internal audit function in 2016–17. Austrade’s previous assessment was undertaken in 2011. Independent assessments are recommended at least every five years. The Institute of Internal Auditors undertook the assessment, and concluded internal audit at Austrade is operating effectively and can be considered to be good practice when compared to internal audit functions in both public sector and corporate organisations. Leading and innovative practices are evident, and the internal audit function is valued by the Audit and Risk Committee members and senior executives.

The independent assessment showed Austrade conformed with 51 of the International Standards for the Professional Practice of Internal Auditing, or 96 per cent, and partially conformed with the remaining 4 per cent. This compares favourably with the Australian average of less than 60 per cent compliance.

Fraud control

Austrade maintains fraud prevention, detection, investigation and reporting procedures and processes that are compliant with section 10 of the Public Governance, Performance and Accountability Rule 2014.

A fraud control plan, effective from 2017 to 2019, has been approved by the CEO, following endorsement by the Audit and Risk Committee, and is consistent with the Australian standards that applied at the time (AS/NZS ISO 31000:2009 Risk Management and AS 8001:2003 Fraud Corruption and Control). Through the plan, Austrade has adopted a realistic and proactive approach towards fraud risk and its control in every aspect of the agency’s operations.

Austrade’s corporate approach towards detected fraud is one of ‘zero tolerance’ and managing fraud risk to a level that is as low as reasonably practicable. This is consistent with the organisational risk tolerance guidance contained in Austrade’s corporate governance framework. The fraud control plan outlines how this will be achieved by ensuring any potential fraud or instances of corruption against or within Austrade are minimised, rapidly detected, effectively investigated and appropriately managed, and any losses are recovered or mitigated.

The fraud control plan is underpinned by fraud risk assessments undertaken by Austrade’s business areas. Austrade’s fraud risk assessments are dynamic, and are reviewed annually, or on a needs basis, through ongoing and targeted analysis.

The fraud control plan maintains and enhances the system of management Austrade has in place to prevent, detect and to respond effectively to fraud and limit its impact on the organisation. It alerts staff to key risks, and
equips them to deter, disrupt and detect fraud within Austrade. The plan also provides staff with concise information about Austrade’s risks and management expectations and is a basis for awareness-raising and structured staff training. In these ways, the plan seeks to reinforce staff ownership of statutory obligations, reinforce the legal framework and promote better practice.

**Anti-bribery**

Austrade is committed to ensuring its practices comply with the anti-bribery provisions of Division 70 of the **Criminal Code Act 1995**, as well as other Australian and international law. Austrade provides mandatory training for all staff on anti-bribery issues to ensure adherence to high ethical standards and accurate advice when advising exporters and investors. Staff receive this training at induction, before overseas postings, and through an annual policy refresher course and in-country training.

Since 2012, Austrade has delivered a targeted outreach program to Australian businesses, domestically and offshore, articulating the risks of bribery when conducting trade in high-risk, low-governance jurisdictions. It is delivered in-country through Austrade’s network of overseas offices in conjunction with a variety of Austrade-hosted events, and in collaboration with local Australian chambers of commerce and partner agencies.

Austrade’s outreach program articulates how to respond where bribes are solicited or bribery appears to be a part of doing business. This aligns with Austrade’s mandate to assist Australian companies in challenging markets and specifically raise awareness of issues involving facilitation payments and the use of foreign agents.

The outreach program is supported by anti-bribery compliance materials available on Austrade’s website, which provide precedents and practical advice for clients in developing anti-bribery programs. The program emphasises the creation of a culture of compliance within companies, which is consistent with proposed changes to the laws that will create new offences of ‘failure to prevent’ bribery.

In December 2014, Austrade responded to the Phase 3 recommendations of the Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery by providing details of its awareness-raising activities, including its ‘Use of Agents’ paper (adopted in the OECD report) and risks in the use of facilitation payments.

Austrade seeks to continuously remind its clients and staff of its obligations under domestic anti-bribery laws, as well as international anti-bribery laws that apply to Australian businesses offshore. As Austrade has direct contact with commercial clients in jurisdictions where corruption is common, it will continue to play a central role in the Australian Government’s obligation to raise awareness of the evolving risks of foreign bribery with Australian businesses working overseas.
Corporate and operational planning

Austrade’s planning and performance management practices align its activities and resources to achieve the priorities set by the Australian Government. Planning is conducted within Austrade’s strategic operating environment, and seeks to ensure the agency provides maximum value to the Government, and to Australian businesses and institutions, while also ensuring the highest ethical standards. Figure 29 outlines Austrade’s key planning documents.

Corporate plan

Under the Australian Trade and Investment Commission Act 1985 and the Public Governance, Performance and Accountability Act 2013, Austrade’s CEO is required to present a corporate plan each year to the Minister for Trade, Tourism and Investment.

The corporate plan sets out Austrade’s strategies for achieving its purposes over the next four years and explains how it will measure those achievements. It is Austrade’s primary planning document and builds on the outcomes set by the Government published in the annual Portfolio Budget Statements. For further information on how the corporate plan relates to the Portfolio Budget Statements, see Figure 7 on page 18.

Market and business unit plans

Detailed plans to support Austrade’s key functional responsibilities for its major international markets, and for its trade, investment, tourism and education divisions, are prepared annually. These plans are also a major source of information for the development of the agency’s risk management plan.

Figure 29: Austrade’s key planning documents in 2016–17

Corporate plan explains the key strategies Austrade will pursue in order to achieve the outcomes and priorities set by the Government.

Portfolio Budget Statements provide information on the proposed resources allocated to Austrade in the reporting year to achieve the outcomes and priorities set by the Government.

Corporate performance reporting framework links the key performance indicators in Austrade’s corporate plan with more detailed internal reporting measures.

Annual report provides information about Austrade’s performance in relation to its purposes and outcomes as part of Austrade’s accountability to the Minister and the Parliament of Australia.
Corporate performance reporting framework
To monitor overall organisational performance, Austrade’s performance reporting framework links the performance criteria and forecasts in Austrade’s corporate plan with more detailed internal reporting measures. This framework ensures Austrade’s activities are aligned to achieve defined operational objectives, while incorporating measures to monitor stakeholder satisfaction, internal governance, and resources and capability.

Staff performance agreements
Staff performance agreements are prepared on an annual basis, covering the period from 1 July to 30 June each year. The agreements are consistent with the market and business plans of the unit in which the individual staff member works, as well as with Austrade’s corporate performance management framework.

Employee communications
Austrade’s governance arrangements are designed to ensure effective decision-making and communication of corporate governance and organisational priorities. During 2016–17, staff received information on a wide range of corporate issues, including new priorities, human resources initiatives, project and program updates, and operational messages.

The methods used to communicate corporate information to staff included:
› CEO and corporate messages delivered via briefings and email, including video messages
› tailored messages from executive directors, general managers and line managers
› a regular electronic newsletter, Global News Digest
› presentations onshore from Austrade staff through the Stay in Touch program
› Austrade’s global intranet, THE HUB, which provides a single location for collaboration and information-sharing.

Legislative framework and external scrutiny
Austrade operates under the following legislation:
› Australian Trade and Investment Commission Act 1985—defines the functions, duties and powers of the CEO and the Commission
› Export Market Development Grants Act 1997—provides for the Export Market Development Grants scheme, the Government’s principal export market assistance program, which is administered by Austrade
› Public Service Act 1999—governs the establishment and operation of, and employment in, the Australian Public Service
› Public Governance, Performance and Accountability Act 2013—provides the framework for the proper management of public money and property.

Independent audits
Austrade was the subject of one Australian National Audit Office (ANAO) performance audit report tabled in Parliament during 2016–17, titled Strengthening Australia’s Tourism Industry. For more information about this audit, see page 116.

ANAO better practice guidelines encourage agencies to consider relevant ANAO reports to improve public administration across Australian Government agencies. During 2016–17, Austrade reviewed 54 ANAO reports tabled in Parliament by the Auditor-General and assessed the following 21 reports as relevant to Austrade’s operations:
› Procurement of the International Centre for Complex Project Management to Assist on the OneSKY Australia Program (audit report no. 1)
› Corporate Planning in the Australian Public Sector (audit report no. 6)
Judicial decisions, and decisions of administrative tribunals and the Australian Information Commissioner

During the reporting period, there were no judicial decisions or reviews by outside bodies that had a significant impact on the operations of Austrade.

Details of appeals to the Administrative Appeals Tribunal (AAT) under the Export Market Development Grants Act 1997 are shown on page 83.

Austrade was involved in one matter before the AAT in relation to an Information Commissioner decision made in late 2014. This matter was ongoing at 30 June 2017.

Austrade was subject to four reviews by the Information Commissioner. Two were withdrawn by the applicants. The Information Commissioner did not review a third matter on the basis that the applicant failed to cooperate in progressing the Information Commissioner review without reasonable excuse. The AAT has agreed to hear a fourth matter, together with the earlier ongoing matter.
Privacy

Austrade received one complaint under the Privacy Act 1988 during 2016–17. This complaint was resolved and the complainant was satisfied with the outcome.

Training on the Privacy Act is provided annually to all Austrade staff as part of the agency’s annual policy refresher course.

Freedom of information

Agencies subject to the Freedom of Information Act 1982 (FOI Act) are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act, which has replaced the formal requirement to publish a section 8 statement in an annual report. Austrade meets its obligations under the FOI Act by displaying on its website, austrade.gov.au, a plan showing what information is published in accordance with the requirements of the Information Publication Scheme.

Management of human resources

The management of Austrade’s human resources is guided by its 2015–17 human resources strategy, which supports the agency to achieve its objectives through three core themes:

› workforce and resourcing—ensuring the agency has an appropriately skilled workforce and organisational structures that reflect and respond to shifting business priorities

› workplace and environment—providing a safe, healthy and flexible workplace, supporting high performance and employee engagement globally

› performance and capability—bringing the best out in the agency’s people, drawing on their skills, ideas and capabilities, and growing them for future challenges and opportunities.

The strategy is underpinned by a robust governance framework to ensure compliance with relevant workplace and employment legislation, and regulatory and public sector governance requirements.

During 2016–17, Austrade repositioned the focus of its human resources function to higher value-add activities, using workforce analytics and internal skills capability to better understand Austrade’s workforce profile and support business areas to plan current and future workforce requirements. The introduction of this revised human resources service and staffing profile achieved budget savings in salaries, and program and operating costs.

Austrade’s key human resources highlights for 2016–17 included:

› the introduction of a simplified human resources delegations schedule devolving people and workforce management accountability and decision-making to managers, while retaining specialist human resources delegations for complex people issues

› development and implementation of the myProfile online capability profiling tool to inform workforce and capability planning, and deployment decisions

› design and application of a digital approach to human resources knowledge management practices in alignment with Australian Public Service (APS) directives

› enhancement of workforce analytics capability to inform decision-making and effective workforce management practice
a whole-of-agency resource stocktake and implementation of resourcing protocols to maintain an agreed baseline for resourcing decisions and staffing actions

implementation of a new human resources landing page on Austrade’s intranet, along with employee support materials to ensure ease of access, plain English and client-focused communication

greater use of automated workflows in the agency’s human resource management information system to support streamlined administration, and to ensure compliance with APS SuperStream transition requirements

management of a high volume of recruitment activity globally, including a peak in the four-year posting and relocations cycle

an independent audit of Austrade’s rehabilitation management system, with the agency achieving full compliance with required standards and 96 per cent compliance for its work health and safety system

ongoing efficient and effective delivery of core transactional services, including payroll and conditions administration.

In the final quarter of 2016–17, under the banner ‘Positioning for our Future’, Austrade focused on supporting the scoping and delivery of a series of agency benchmarking initiatives to inform priorities and workforce strategies.

Austrade’s first Pulse Survey was delivered in April 2017, providing a baseline measure of employee wellbeing, engagement and awareness of Austrade priorities and directions, and supplementing the APS Employee Census. The survey attracted a 90 per cent participation rate from staff and the results were broadly positive. The survey also identified areas for improvement, which will be addressed through the following benchmarking initiatives to be delivered during 2017–18:

› Ideas Challenge—to generate ideas from staff on how to do things better and tap into the creativity of the wider employee network

› Organisational Capability Assessment—drawing on the Australian Public Service Commission’s organisational capability methodology, which focuses on agency performance against the themes of strategy, delivery and leadership.

During the year, Austrade also participated in the Department of Foreign Affairs and Trade–led whole-of-government review of overseas allowances for Australia-based employees, and modelled budget implications and planned transition arrangements.

Workforce and resourcing

At 30 June 2017, Austrade employed 1,095 staff,36 70 per cent of whom were employed in client-focused operations in Australia and overseas.

Austrade’s group, division and branch resourcing is based on the agreed baseline-funding and fixed-funding position allocation as determined by the CEO and the Executive Group, and by the annual agency budget allocation, including new policy proposal funding. Business areas have flexibility and accountability to plan, deploy and manage resources effectively at the local level during the financial year. Austrade’s human resources team partners with business areas to align organisational structures and workforce composition with strategic directions.

36 Number based on headcount, including overseas-engaged employees and state specialists.
Austrade has a highly educated workforce with a mix of private and public sector experience across various industry sectors and from diverse cultural backgrounds. APS and Austrade Performance Level (APL) work level standards are used to provide consistency in shaping and describing roles, and to ensure optimal contribution at level.

In 2016–17, Austrade delivered three major human resources initiatives to support effective and efficient resource management practices:

- an agency-wide resourcing stocktake—to review, establish and maintain an agreed funded position baseline at agency, group, division and branch level for resourcing decisions and staffing actions. The initiative will support future resource allocation and planning in a tight fiscal environment.

- the Austrade job family framework—includes job profiling and work value assessment processes to clearly define duties and responsibilities, identify workforce capability requirements, and ensure effective classification management practices. Contemporary role profiles have been developed for core roles, identifying resourcing and capability requirements across different parts of the agency, including opportunities and potential risks to support the delivery of business objectives.

- the launch of myProfile—provides a searchable database of Austrade capability and capacity. It will assist in identifying candidates for short-term development assignments, as well as staffing resources to work on business missions, project work or temporary opportunities.

Austrade’s global workforce is made up of 54 per cent Australia-based employees and 46 per cent overseas-engaged employees.37

Austrade staff are currently located across 49 markets overseas and 10 offices in Australia (not including TradeStart).

The agency competes at a global level for skills and experience and continues to attract quality candidates for its onshore and offshore positions through the offer of interesting and meaningful work.

While recruitment on an ongoing basis has been the main method of employment by Austrade, changes to the agency’s operating environment are driving the agency to look at ways to better leverage other sourcing and resource allocation mechanisms. Austrade offers full-time, part-time and flexible work arrangements to its staff to support work–life balance and enable responsive business operations.

Due to the nature and complexity of the work performed, Austrade’s workforce classification profile is weighted towards APL 3–4 (APS Executive Level 1–2) onshore and Austrade Overseas Performance Level (AOPL) 3–4 offshore.

Staff turnover in 2016–17 was 11.3 per cent, compared with 8.9 per cent in 2015–16.

Tables 20–25 provide a snapshot of Austrade’s workforce at 30 June 2017, including staffing statistics on level, status, gender, location, and number of staff who identify as Indigenous.

Tables 26, 27 and 28 provide a breakdown of Austrade’s Senior Executive Service (SES) gains and losses for the year, and SES employees by classification, gender and location.

37 Including overseas-engaged state specialists.
Table 20: Ongoing and non-ongoing employees (excluding overseas-engaged employees), full-time and part-time, at 30 June 2017

<table>
<thead>
<tr>
<th>Ongoing employees</th>
<th>Non-ongoing employees</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>Part-time</td>
<td>Full-time</td>
<td>Part-time</td>
</tr>
<tr>
<td>486</td>
<td>56</td>
<td>592</td>
<td>566</td>
</tr>
</tbody>
</table>

Note: Includes staff on leave without pay and long-term leave. Includes CEO. Casual staff are included in the non-ongoing employee part-time figure.

Table 21: Ongoing and non-ongoing employees (excluding overseas-engaged employees), full-time and part-time, who identify as Indigenous, at 30 June 2017

<table>
<thead>
<tr>
<th>Ongoing employees</th>
<th>Non-ongoing employees</th>
<th>Total 30 June 2017</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>Part-time</td>
<td>Full-time</td>
<td>Part-time</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: Includes staff on leave without pay and long-term leave. Includes CEO. Casual staff are included in the non-ongoing employee part-time figure.

Table 22: Employees by classification, gender and location, at 30 June 2017

<table>
<thead>
<tr>
<th>Classification</th>
<th>Australia female</th>
<th>Australia male</th>
<th>Overseas female</th>
<th>Overseas male</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOPL 1</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>23</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>AOPL 2</td>
<td>0</td>
<td>0</td>
<td>47</td>
<td>17</td>
<td>64</td>
<td>61</td>
</tr>
<tr>
<td>AOPL 3</td>
<td>0</td>
<td>0</td>
<td>129</td>
<td>48</td>
<td>177</td>
<td>181</td>
</tr>
<tr>
<td>AOPL 4</td>
<td>0</td>
<td>0</td>
<td>110</td>
<td>106</td>
<td>216</td>
<td>198</td>
</tr>
<tr>
<td>AOPL 5</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>13</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>APL 1</td>
<td>30</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>43</td>
<td>39</td>
</tr>
<tr>
<td>APL 2</td>
<td>93</td>
<td>47</td>
<td>0</td>
<td>0</td>
<td>140</td>
<td>129</td>
</tr>
<tr>
<td>APL 3</td>
<td>103</td>
<td>73</td>
<td>3</td>
<td>5</td>
<td>184</td>
<td>178</td>
</tr>
<tr>
<td>APL 4</td>
<td>38</td>
<td>48</td>
<td>9</td>
<td>23</td>
<td>118</td>
<td>113</td>
</tr>
<tr>
<td>APL 5</td>
<td>12</td>
<td>11</td>
<td>5</td>
<td>9</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td>SES 1</td>
<td>10</td>
<td>20</td>
<td>6</td>
<td>11</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>SES 2</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>SES 3</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>CEO</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>292</strong></td>
<td><strong>221</strong></td>
<td><strong>322</strong></td>
<td><strong>260</strong></td>
<td><strong>1,095</strong></td>
<td><strong>1,056</strong></td>
</tr>
</tbody>
</table>

AOPL = Austrade Overseas Performance Level
APL = Austrade Performance Level

Note: Includes CEO and employees on leave without pay or long-term leave. Overseas figures include both Australia-based employees posted overseas and overseas-engaged employees, temporary staff and state specialists, but exclude interns, contractors and attached agency staff.
Table 23: Employees by category of employment, at 30 June 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Female</th>
<th>Male</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing (Australia-based)</td>
<td>291</td>
<td>251</td>
<td>542</td>
<td>529</td>
</tr>
<tr>
<td>Non-ongoing (Australia-based)</td>
<td>27</td>
<td>23</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>Overseas-engaged employees</td>
<td>296</td>
<td>207</td>
<td>503</td>
<td>490</td>
</tr>
<tr>
<td>Total</td>
<td>614</td>
<td>481</td>
<td>1,095</td>
<td>1,056</td>
</tr>
</tbody>
</table>

Note: Includes CEO and employees on leave without pay or long-term leave. Overseas-engaged employee figures include temporary staff and state specialists, but exclude interns, contractors and attached agency staff.

Table 24: Employees by location and gender, at 30 June 2017

<table>
<thead>
<tr>
<th>Location</th>
<th>Australia-based female</th>
<th>Australia-based male</th>
<th>Australia-based total</th>
<th>OEE female</th>
<th>OEE male</th>
<th>OEE total</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>17</td>
<td>30</td>
<td>47</td>
<td>186</td>
<td>116</td>
<td>302</td>
<td>349</td>
<td>–(a)</td>
</tr>
<tr>
<td>AEMEA</td>
<td>9</td>
<td>23</td>
<td>32</td>
<td>110</td>
<td>91</td>
<td>201</td>
<td>233</td>
<td>–(a)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>26</td>
<td>53</td>
<td>79</td>
<td>296</td>
<td>207</td>
<td>503</td>
<td>582</td>
<td>563</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>138</td>
<td>100</td>
<td>238</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>238</td>
<td>244</td>
</tr>
<tr>
<td>NSW</td>
<td>109</td>
<td>77</td>
<td>186</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>186</td>
<td>166</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>QLD</td>
<td>11</td>
<td>12</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>SA</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>TAS</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>VIC</td>
<td>27</td>
<td>25</td>
<td>52</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>WA</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Subtotal</td>
<td>292</td>
<td>221</td>
<td>513</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>513</td>
<td>493</td>
</tr>
<tr>
<td>Total</td>
<td>318</td>
<td>274</td>
<td>592</td>
<td>296</td>
<td>207</td>
<td>503</td>
<td>1,095</td>
<td>1,056</td>
</tr>
</tbody>
</table>

OEE = overseas-engaged employee
AEMEA = Americas, Europe, Middle East and Africa

(a) Austrade’s market groupings changed in December 2016 from three market groupings (East Asian Growth Markets, Established Markets, and Growth and Emerging Markets) to two market groupings—Asia Markets, and Americas, Europe, Middle East and Africa (AEMEA) Markets. As a result, no comparative figures for the Asia and AEMEA market groupings are available from the previous year.

Note: Includes CEO and employees on leave without pay or long-term leave. Overseas-engaged employee figures include temporary staff and state specialists, but exclude interns, contractors and attached agency staff. At 30 June 2017, there were 79 attached agency staff within Austrade. Overseas-engaged employee figures in Asia and AEMEA include staff who are part of Austrade’s Corporate Services Group, including finance, human resources and information technology support. The AEMEA market grouping includes New Zealand and the South Pacific.
### Table 25: Employees by group or division, at 30 June 2017

<table>
<thead>
<tr>
<th>Group/division</th>
<th>Australia-based employees</th>
<th>OEE</th>
<th>Total staff 30 June 2017</th>
<th>Total staff 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Operations Group—Asia</td>
<td>47</td>
<td>290</td>
<td>337</td>
<td>—(a)</td>
</tr>
<tr>
<td>International Operations Group—AEMEA</td>
<td>32</td>
<td>188</td>
<td>220</td>
<td>—(a)</td>
</tr>
<tr>
<td>International Operations Group—Australia</td>
<td>134</td>
<td>0</td>
<td>134</td>
<td>140</td>
</tr>
<tr>
<td>Tourism, Investment, Education and Programs Group</td>
<td>169</td>
<td>0</td>
<td>169</td>
<td>158</td>
</tr>
<tr>
<td>Corporate Services Group</td>
<td>149</td>
<td>21</td>
<td>170</td>
<td>165</td>
</tr>
<tr>
<td>Office of the CEO</td>
<td>29</td>
<td>0</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>Inoperative employees</td>
<td>32</td>
<td>4</td>
<td>36</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>592</strong></td>
<td><strong>503</strong></td>
<td><strong>1,095</strong></td>
<td><strong>1,056</strong></td>
</tr>
</tbody>
</table>

OEE = overseas-engaged employee  
AEMEA = Americas, Europe, Middle East and Africa

(a) Austrade’s market groupings changed in December 2016 from three market groupings (East Asian Growth Markets, Established Markets, and Growth and Emerging Markets) to two market groupings—Asia Markets, and Americas, Europe, Middle East and Africa (AEMEA) Markets. As a result, no comparative figures for the Asia and AEMEA market groupings are available from the previous year.

Note: Includes CEO. Inoperative employees are those on long-term leave and leave without pay. Overseas-engaged employee figures include temporary staff and state specialists, but exclude interns, contractors and attached agency staff. The AEMEA market grouping includes New Zealand and the South Pacific.

### Table 26: Senior Executive Service gains and losses during 2016–17

<table>
<thead>
<tr>
<th></th>
<th>2016–17</th>
<th>2015–16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Losses</td>
<td>7</td>
<td>15</td>
</tr>
</tbody>
</table>

Note: Gains include existing employees promoted to SES and SES commencements. Losses include SES employees who ceased employment with Austrade.

### Table 27: Senior Executive Service by gender, at 30 June 2017

<table>
<thead>
<tr>
<th>Classification</th>
<th>Female</th>
<th>Male</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES 1</td>
<td>16</td>
<td>31</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>SES 2</td>
<td>7</td>
<td>12</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>SES 3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>45</strong></td>
<td><strong>69</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

Note: Includes non-ongoing employees, and employees on leave without pay or long-term leave. Includes employees who are acting SES.
Table 28: Senior Executive Service by classification and location, at 30 June 2017

<table>
<thead>
<tr>
<th>Classification</th>
<th>Australia</th>
<th>Overseas</th>
<th>Total 30 June 2017</th>
<th>Total 30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES 1</td>
<td>30</td>
<td>17</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>SES 2</td>
<td>11</td>
<td>8</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>SES 3</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44</strong></td>
<td><strong>25</strong></td>
<td><strong>69</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

Note: Includes non-ongoing employees, and employees on leave without pay or long-term leave. Includes employees who are acting SES.

Workplace and environment

Austrade is committed to providing a safe working environment that optimises diversity and inclusion. Austrade’s employment framework provides flexible and responsive people management policies, practices and conditions globally.

Austrade’s Workplace Relations Committee facilitates formal consultation between management and Australia-based employees. The committee met four times during the year.

During 2016–17, Austrade continued to implement productivity initiatives to achieve savings and support efficient business operations, including enhancements to information technology systems to facilitate connectivity and remote working, refinements to human resources and financial management delegations, and automation of associated workflows.

Employment framework

Austrade’s terms and conditions of employment and remuneration framework for Australia-based staff are set out in the Austrade Enterprise Agreement 2015–2018 for non-SES staff, and in individual common law contracts for SES staff. The enterprise agreement and individual common law contracts operate in conjunction with relevant Commonwealth legislation and human resources policies and procedures, and collectively define the terms and conditions of employment for Australia-based staff.

During 2016–17, non-SES employees received a 2 per cent salary increase, the second of three guaranteed salary increases over the three-year term of the enterprise agreement. At 30 June 2017, 17 non-SES Austrade employees had approved individual flexibility arrangements in place.

Austrade SES remuneration is reviewed annually, and any increase is at the CEO’s discretion. In 2016–17, the review considered individual position accountability and contribution to the business, market movement across the wider APS and portfolio agencies, and parity with enterprise agreement salary adjustments for Austrade’s APL 1–5 employees. The CEO recommended an across-the-board 2 per cent increase for SES staff, effective 14 January 2017. The quantum of Austrade’s onshore taxable SES allowance remained unchanged.

Details of Austrade’s workplace agreements, including salary ranges, are set out in Table 29.

Austrade provided its Australia-based employees with a range of non-monetary benefits, including salary packaging, study assistance, short-term development assignments, scholarships aligned to Austrade’s core business objectives, and a healthy living allowance.
### Table 29: Austrade’s workplace agreements and salary ranges, at 30 June 2017

<table>
<thead>
<tr>
<th>Classification</th>
<th>Enterprise agreement</th>
<th>Common law contract</th>
<th>Section 24(1) agreement&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Individual flexibility arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary range ($)</td>
<td>No.</td>
<td>Salary range ($)</td>
<td>No.</td>
</tr>
<tr>
<td>Cadet</td>
<td>–</td>
<td>0</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>APS 1–4 (APL 1)</td>
<td>49,463–70,729</td>
<td>43</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>APS 5–6 (APL 2)</td>
<td>73,558–90,138</td>
<td>140</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>Exec. Level 1 (APL 3)</td>
<td>95,996–107,983</td>
<td>178</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>Exec. Level 2 (APL 4–5)</td>
<td>112,301–152,003</td>
<td>144</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>SES</td>
<td>–&lt;sup&gt;b&lt;/sup&gt;</td>
<td>5</td>
<td>162,089–301,364</td>
<td>62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>510</td>
<td>62</td>
<td>0</td>
<td>19</td>
</tr>
</tbody>
</table>

<sup>a</sup> Determination made under subsection 24(1) of the Public Service Act 1999.

<sup>b</sup> Where there is a possibility payments to individuals may be identified (that is, five or fewer employees at a classification level), the salary is not shown.

Note: Excludes CEO. Includes seven substantive non-SES employees who are acting SES.

Austrade also supports its employees in achieving work–life balance through access to flexible working arrangements, including access to digital tools and technology to support this, flex-time, part-time hours and purchased leave.

Austrade does not have performance pay provisions in place for its Australia-based or overseas-engaged employees.

Austrade’s overseas-engaged workforce is diverse, highly skilled and knowledgeable. They are engaged under section 74 of the Public Service Act 1999, with their specific terms and conditions determined under individual employment contracts that comply with local statutory obligations. These individual employment contracts operate in conjunction with relevant APS employment and workplace legislation and human resources policies and procedures, and collectively define the terms and conditions of employment for overseas-engaged employees. At 30 June 2017, Austrade had 503 overseas-engaged employees.

In recent years, Austrade’s remuneration approach for overseas-engaged employees has emphasised base salary considerations. However, Austrade has identified that a more holistic approach to total remuneration is important to ensure its positioning in labour markets is sufficiently competitive and robust, and is moving towards a total rewards and remuneration approach, which comprises base pay, benefits, flexible work patterns and other policies to address an employee’s needs and contribute to their quality of life.
During the year, Austrade commenced work on establishing and implementing its total reward and remuneration strategy, and supporting relevant human resources practices to ensure a consistent agency framework, while allowing for the diversity of markets in which the agency operates.

Austrade has also started to promote the full scope and value of its employment offering to prospective and existing overseas-engaged employees, and identify options for the adjustment of remuneration, including pay progression (linked to performance management outcomes) and annual market adjustments.

**Employee engagement**

Austrade participates in the annual APS Employee Census, using it as the principal method for seeking feedback from Australia-based and overseas-engaged employees on a range of workplace and employment matters.

In 2017, 74 per cent of employees participated in the census. Overall, results indicated Austrade has a highly engaged and committed workforce. Austrade’s 2016–17 unscheduled absence average was 8.94 days (Australia-based employees). Data from the census indicated Austrade employees are highly engaged across the four dimensions of job, team, supervisor and agency.

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**Brenton Garlick**  
Senior Human Resources Adviser, Canberra

Brenton Garlick provides specialist advice on the effective and proactive management of Austrade’s work health and safety and rehabilitation frameworks across its global network. He also oversees complex rehabilitation case management and return to work for Austrade employees following injury or illness.

Since joining Austrade in early 2017, Brenton has focused on building his understanding of Austrade’s international network, travelling offshore to assess and make recommendations for improvement in policy and practice globally. He works closely with colleagues onshore and offshore to apply a standardised approach across Austrade’s network, while balancing obligations under Commonwealth legislation and local labour law.

‘Building and maintaining relationships with the offshore network is critical to managing work health and safety, and to ensure a balanced approach is taken with such a geographically and culturally diverse workforce’, Brenton said.

Prior to joining Austrade, Brenton worked at Workplace Health and Safety Queensland as an adviser, and at WorkCover Queensland, supporting various sectors in the areas of rehabilitation management, training and fatality claims. Brenton has a Graduate Certificate of Case Management—Injury Management from Griffith University and a Graduate Certificate of Politics and Public Policy from Macquarie University.
The comparison data highlight that Austrade employees are more engaged than the overall APS average, and other specialist agencies similar to Austrade in workforce size and function.

Retaining its highly skilled and high-performing workforce is essential to Austrade's ability to continue to deliver on its business objectives. The results of Austrade's first internal Pulse Survey, designed to provide a quick agency health and wellbeing check, and establish a baseline measure of employee wellbeing, engagement, and awareness of Austrade priorities and directions, were positive and above the APS average in the areas of diversity, collaboration, work–life balance and innovation. The survey will be run twice a year and will complement the annual APS census. For more information, see page 146.

Recognition and reward

Recognition and reward is an essential part of maintaining a positive, productive and innovative organisational culture in the agency. Austrade recognises the commitment, high performance, effort and achievement of its employees through formal and informal means, including the following awards programs.

Global Austrade Staff Awards

Austrade recognises outstanding performance by individuals and teams through its Global Austrade Staff Awards across four categories:

- promoting a team approach and spirit through actions and accomplishments
- delivering value to stakeholders
- exemplary leadership
- working in the national interest.

In 2016–17, there were six individual and four team recipients. These were:

- Shannon Leahy, Assistant Trade Commissioner, Jakarta
- Ana Nishnianidze, Team Leader, Workforce and Talent Strategies, Canberra
- Norma Ramiro, Post Manager, Buenos Aires
- Leo Sbirakos, Global IT Support Manager, Canberra
- Phillip Walker, Project Manager, Ministerial, Parliamentary and Portfolio Coordination, Canberra
- Hayley Wheatley, Manager, Export Awards and Sponsorship, Sydney
- China Health and Services team—Australia (Melbourne, Sydney, Brisbane, Wollongong); and China (Shanghai, Guangzhou, Chengdu, Nanjing, Shenyang, Qingdao, Beijing)
- Euronaval team—Paris, Milan, Sydney and Frankfurt
- Information Technology Support Business Engagement team—Canberra and Sydney
- JAEPA Taste of Australia Menu Competition team—Japan (Tokyo, Osaka, Sapporo, Fukuoka); Indonesia (Jakarta); and Australia (Brisbane, Melbourne, Sydney).

Australia Day Achievement Medallions

Austrade participated in the APS-wide Australia Day Achievement Medallion program in 2016–17. The program acknowledges the achievements of public servants, either on special projects that have made a significant contribution to Australia or through outstanding performance of their core duties. Austrade’s 2017 recipients were:

- Robyn Agnew, Manager, Policy and Legislation, Export Market Development Grants scheme, Canberra
Management and accountability

Management of human resources

Diana Ballmann, Office Manager, Frankfurt
Rod Battye, Manager, Tourism Research Australia, Canberra
Denise Eaton, Trade Adviser, Wollongong
Ruth Keane, Trade Adviser, Perth
Chris Knepler, Post Manager, Chicago
Janet McCarthy, Senior Human Resources Adviser, Canberra
Acharaporn Suddhachitta, Business Development Manager, Bangkok.

Diversity and inclusion

During 2016–17, Austrade continued its commitment to diversity and inclusion through a number of agency-wide events and initiatives.

› NAIDOC Week, July 2016—employees were offered the opportunity to participate in native walks, and share art and stories as a part of morning teas across the agency.

› International Women’s Day, March 2017—Austrade developed an interview-based video featuring a number of women in key roles across the agency, reflecting on the 2017 International Women’s Day theme ‘Being Bold for Change’.

› Harmony Day, March 2017—employees were encouraged to connect and get to know their team members and share their stories of what has shaped who they are today.

Austrade provided a number of targeted capability development programs throughout the year to facilitate diversity and inclusion across its global network, including:

› an inclusive leadership program—a multimedia-based educational program designed to help leaders with the practical ‘how to’ associated with diversity and inclusion

› a women’s mentoring program—focuses on the key areas women seek to improve on to help them achieve more at work and in their personal lives.

Austrade employees have access to learning and development opportunities through the agency’s online portal, the Austrade Institute, including opportunities to increase cultural capability and awareness through programs such as:

› Closing the Gap—raises awareness of the gap between Aboriginal and Torres Strait Islander and non-Aboriginal and non-Torres Strait Islander Australians, and strategies to overcome barriers to close this gap

› Linking History with Today—explores key events throughout history and how they have impacted the relationships between Aboriginal and Torres Strait Islander and non-Aboriginal and non-Torres Strait Islander Australians

› Globesmart—provides guidance on how to conduct business dealings with individuals in other countries.

Austrade is committed to reconciliation and to increasing the representation of Aboriginal and Torres Strait Islander employees across the agency.

The agency’s Reconciliation Action Plan (RAP) 2016–18 has been endorsed by Reconciliation Australia, with Austrade’s RAP working group overseeing the development and implementation of the Innovate RAP, which outlines the agency’s commitment to, and programs to support, cultural learning, Aboriginal and Torres Strait Islander employment, and supplier diversity.

Austrade continues to participate in the Indigenous Australian Government Development Program, which gives Indigenous employees the opportunity to gain professional and personal development within the APS. One Austrade employee successfully completed the program in 2016–17, with another employee also commencing the program during the year.
In addition, in May 2017, two Austrade employees embarked on secondments through the Jawun Indigenous Community APS Secondment Program, which aims to connect skilled people in the APS with Indigenous communities to share knowledge and experience.

Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, presents Nathan King, Austrade, with his graduation certificate from the Indigenous Australian Government Development Program, December 2016. Photo: Austrade.

During the year, Austrade strengthened its ties with specialist diversity and inclusion service agencies, including upgrading to gold membership of the Australian Network on Disability, and commencing a membership with the Diversity Council Australia.

Austrade encourages people with disability to seek employment with the agency by advertising positions through the APS RecruitAbility scheme. The scheme provides candidates with a disability with the opportunity to demonstrate their skills and experience for a particular role. During 2016–17, 62 applicants accessed the scheme, with 93 Australia-based positions advertised.

**Disability reporting in annual reports**

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy.

In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service reports and the *Australian Public Service Statistical Bulletin*. These reports are available at apsc.gov.au. From 2010–11, departments and agencies were no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these progress reports was published in 2014, and can be found at dss.gov.au.

**Work health and safety**

Austrade has a strong safety culture, and is committed to the work health and safety and wellbeing of its employees. Robust systems have been developed to demonstrate industry best practice across the agency’s global network. Austrade meets Australian work health and safety standards and demonstrates compliance with the requirements of the *Work Health and Safety Act 2011* (WHS Act). The agency is progressing the digitisation of all work health and safety forms to ensure a streamlined approach, to promote timely and effective reporting of incidents, near misses and hazards and provide a centralised repository for health and safety
data. In accordance with Schedule 2, Part 4 of the WHS Act, details of Austrade’s work health and safety initiatives and activities, outcomes, statistics and investigations, where relevant, are outlined in Appendix C.

Austrade’s proactive approach to personal injury case management, particularly through its Early Intervention Policy, which encourages a stay-at-work approach where possible, helps minimise the risk of lengthy workers’ compensation claims. Austrade promotes a respectful collaboration with injured employees to make sure personalised, mutually beneficial outcomes are achieved, including return to work.

Austrade’s Employee Assistance Program, incorporating the agency’s Manager Assistance Program, is available to all staff globally to help foster health and wellbeing. The program provides short-term counselling and support services for employees and their immediate family members. Austrade also encourages physical activity to support mental and physical wellbeing through its Healthy Living Policy.

The agency’s workplace health and safety management system and due diligence framework have been revised to include early identification of mental health warning signs, with ongoing training and support offered to staff and managers.

**Performance and capability development**

Austrade’s approach to capability development is based on the 70:20:10 framework, which holds that 70 per cent of learning occurs on the job, 20 per cent occurs through peer-to-peer learning, and 10 per cent through formal training. Managers and employees have joint accountability for capability and career development, and have access to core skills and development initiatives delivered through a blend of learning options.

Austrade employees are encouraged to learn, develop and share their knowledge. The Austrade Institute, underpinned by a sophisticated learning management system, is available to all employees globally and provides a comprehensive catalogue of online courses and resources.

Throughout the year, Austrade employees participated in a range of learning and development programs, including:

- 101 new staff attended Austrade’s global induction workshop, Austrade Today
- 27 staff participated in a pre-posting workshop to prepare for their posting offshore
- 93 staff participated in Optimising Performance through Quality Conversations
- 27 staff participated in women’s mentoring programs
- 20 staff participated in Austrade’s inclusive leadership program
- 26 staff participated in inward investment skills workshops
- 1,108 staff completed a compulsory annual policy refresher e-learning course
- 928 staff completed a work health and safety e-learning module
- 20 staff participated in manager development programs
- 768 staff accessed Austrade’s Lynda.com e-learning modules, covering professional development and technical capabilities.

**Writing skills development**

Austrade continued to develop the writing skills of its employees across its network through the delivery of several writing skills development programs throughout the year, including ‘Essential Writing Skills for Government’ and ‘Simple English’.
Language capability development

Austrade’s language policy encourages and supports staff in the maintenance of languages important to Austrade’s business requirements. Austrade’s priority languages are Arabic, Indonesian, Cantonese, Hindi, Japanese, Mandarin and Spanish. Austrade’s capabilities in these priority languages are shown in Table 30.

Table 30: Foreign language capabilities at Austrade, priority languages, at 30 June 2017

<table>
<thead>
<tr>
<th>Language</th>
<th>Total number of speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabic</td>
<td>14</td>
</tr>
<tr>
<td>Indonesian</td>
<td>34</td>
</tr>
<tr>
<td>Cantonese</td>
<td>20</td>
</tr>
<tr>
<td>Hindi</td>
<td>19</td>
</tr>
<tr>
<td>Japanese</td>
<td>55</td>
</tr>
<tr>
<td>Mandarin</td>
<td>91</td>
</tr>
<tr>
<td>Spanish</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>286</strong></td>
</tr>
</tbody>
</table>

Management development

Austrade’s leadership program, Managing in a Global Organisation, currently in its third year, continues to support the agency’s priorities in a changing global environment, developing the key capabilities required by its leaders and managers.

Winning Investment for Australia course

The Winning Investment for Australia course is designed to build the knowledge, skills and capability of staff from Commonwealth, state and territory agencies with responsibility for investment promotion, attraction and facilitation. Developed and delivered jointly by Austrade and a global external investment expert, the course also helps participants develop the professional networks necessary to attract foreign direct investment to Australia under the Commonwealth, state and territory partnership model.

In 2016–17, Winning Investment for Australia courses were held in Launceston in September 2016 and Sydney in May 2017.

Short-term overseas assignments

Short-term overseas assignments in Austrade’s Australian and overseas offices meet operational requirements, while providing onshore and offshore staff with significant development opportunities. In 2016–17, seven staff participated in short-term overseas assignments.

Study assistance

The Austrade Study Assistance Scheme provides assistance to employees studying for formal qualifications in relevant areas of study through recognised education institutions in Australia and overseas. The assistance may include partial reimbursement of fees and associated costs, and study leave to attend courses and exams. In 2016–17, 34 employees were recipients of study assistance for studies in the fields of International Business and Masters of Business Administration, Accounting and Finance, Languages, Management, and Law.

Austrade scholarship program

Austrade’s scholarship program provides access to education, training and development opportunities, offering two internal scholarships for Austrade employees, as well as two external scholarships for university students, which include the option of an Austrade internship.
The following scholarships were awarded to Austrade employees during 2016–17:

› overseas-engaged employee scholarships—introduced in 2013, these scholarships provide opportunities for staff to undertake development programs at recognised education institutions to enhance their skills and capabilities in international trade, leadership and strategy

› Asialink Leaders Program scholarships—this program helps to build knowledge of contemporary Asian societies and business culture intelligence skills to help participants more effectively manage the complexity of Australian-Asian relations. Two Australia-based employees were selected to participate in the 2017 program.

The following scholarships were awarded to non-Austrade employees:

› Beryl Wilson Austrade Scholarship for Women in International Business—established in 2013, in recognition of the appointment of Beryl Wilson as Australia’s first female trade commissioner in 1963. This scholarship is awarded to a female postgraduate student enrolled full-time in international business studies. The 2017 recipient is expected to be announced in the coming months

› Austrade Craig Senger Scholarship—an annual scholarship, offered in conjunction with Monash University, in memory of the late Craig Senger, former Trade Commissioner in Jakarta. The 2017 recipient was Marissa Thomas. Marissa is in her final year of studies for a Bachelor of Engineering and Bachelor of Commerce, with majors in chemical engineering and economics.

**Talent development and pathways for trade commissioner roles**

Austrade’s trade commissioners represent the agency and the Australian Government in offshore markets. Their role is to establish and optimise business networks, and to support Australian businesses and industry to identify and take advantage of trade opportunities and investment flows within the region.

Newly appointed trade commissioners are provided tailored briefing programs, both onshore and in market, to equip them with the knowledge and skills required to take on these challenging and exciting leadership roles.

Austrade’s Trade Commissioner Development Program provides an important pipeline for Austrade’s trade commissioner roles. The program includes an onshore placement, ahead of participants undertaking a two-year offshore development posting. The posting provides participants with a rich and diverse opportunity to gain hands-on experience and to develop the strategic, leadership, communication and tradecraft skills required to be a high-performing trade commissioner.

Four participants were selected for the 2016 intake, commencing their two-year offshore placements at Austrade offices in Abu Dhabi, Jakarta, Paris and Shanghai in early 2017.
Financial management and business assurance

Austrade manages its assets and financial resources to support its operations by maintaining:

- an effective system of management and internal controls
- accounting, treasury and taxation services
- procurement systems and processes that achieve value for money
- business systems and processes that provide financial and performance information to enhance decision-making and the efficient, effective, economical and ethical use of resources
- information technology that is stable and secure and increases connectivity for staff, clients and key stakeholders
- systems to monitor, safeguard and enhance property and other assets.

Significant issues relating to noncompliance with the finance law

Annual reports must include a statement of any significant issues reported to the responsible minister under paragraph 19(1)(e) of the Public Governance, Performance and Accountability Act 2013 that relate to noncompliance with the finance law in relation to the entity.

Austrade had no significant issues to report to its minister in relation to noncompliance with the finance law during 2016–17.

Security

Against the backdrop of an increasingly challenging security environment, in 2016–17, Austrade’s security risk management program focused on reviewing and, where necessary, enhancing security policies and practices.

Building on policy enhancements made in 2015–16, Austrade updated its personnel security program throughout the year to respond to government priorities and agency requirements. An agency-wide awareness campaign was initiated to improve understanding of the personnel security framework and, in particular, responsibilities for the ongoing management of security clearance holders.

Austrade improved its security training and briefing program by streamlining and better targeting sessions to meet the evolving needs of Austrade and its employees and address emerging security risks. Tailored workshops and briefings were delivered for all employees going on posting and for employees based in high-risk locations. Increased collaboration with the Department of Foreign Affairs and Trade (DFAT) and the Attorney-General’s Department ensured training and briefing content continued to be relevant and timely.

Security risk advice and support to Austrade’s major business missions and events for 2016–17 ensured all passed without incident, including Indonesia Australia Business Week held in Indonesia; the Future Unlimited West Africa Education Exhibition held in Ghana and Nigeria; and North Asia Free Trade Agreement seminars held across Australia; as well as smaller events held in a number of locations, including Turkey, China, Korea and the Philippines.

A key challenge in the year ahead will be the continued safety and security of staff as the security environment in some areas of the Austrade network continues to deteriorate.
Property management

The management of Austrade’s property portfolio includes leasing, fit-out and refurbishment of commercial office space and residential properties, domestically and internationally. The portfolio comprises 169 properties leased through DFAT’s Overseas Property Office and private sector landlords.

In 2016–17, Austrade negotiated 66 new leases and renewed 67 existing leases as part of the ongoing management of its property portfolio. Austrade also entered into 20 memorandums of understanding with other Australian Government agencies to share office space in domestic and international locations.

Austrade completed six property fit-outs during the year to improve office safety, security, design and the work environment, including relocation of the Newcastle office and refurbishment of the Sydney and Melbourne offices. Refurbishments also commenced in the Istanbul and Shanghai offices.

In the 2016–17 Budget, the Government commissioned a review to look at options for consolidating the overseas property functions of government agencies into DFAT. Austrade’s Chief Operating Officer was a member of the review steering group, chaired by a DFAT deputy secretary. In addition, Austrade’s Assistant General Manager, Security, Consular and Property was a member of the review working group, chaired by the Overseas Property Office. The review was completed in December 2016. In the 2017–18 Budget, the Government announced it would centralise management of the Commonwealth’s overseas property portfolio within DFAT, and Austrade has been working with DFAT to identify the functions to be transferred.

Business continuity

Austrade continued to strengthen the resilience of its domestic and international offices through its business continuity program, with knowledge and understanding of the agency’s response mechanisms further consolidated through the review of plans and scenario-based exercises conducted across the network.

Austrade’s business continuity policy was also refreshed during 2016 to strengthen linkages to the mandatory requirements of the Protective Security Policy Framework.

Austrade worked closely with DFAT throughout the year to ensure a consistent approach to crisis management, planning and testing. Austrade staff from the Business Continuity team undertook visits to Austrade offices in Japan and Colombia to review planning and increase staff understanding and awareness of their roles in crisis action plans.

Visits were also undertaken to Austrade’s offices in Perth, Brisbane and Adelaide to review business continuity plans and conduct exercises.

During 2016–17, Austrade’s business continuity and crisis management and response framework continued to prove effective in mitigating risks attributed to major incidents that required activation or review of business continuity plans. These incidents included an attack on the Atatürk Airport in Istanbul in late June 2016 and an attempted coup in Turkey in July 2016; Typhoon Nida in Guangzhou and Hong Kong in August 2016; Tropical Storm Dianmu in Hanoi in August 2016; severe weather in Chennai in December 2016; and demonstrations in Warsaw in December 2016.
Legal services

In 2016–17, legal services were provided to Austrade’s business units via the internal legal team, supported where necessary by external law firms. Under arrangements administered by the Attorney-General’s Department, through the Office of Legal Services Coordination, Austrade has access to a legal services multi-user list of 143 prequalified law firms, specialising in four categories of government work. This model allows Austrade to maintain a small team of in-house lawyers, led by the Chief Legal Counsel, to cover most commercial transactions and provide advice to assist program administration and transactional legal work of business units. External legal resources are contracted on agreed terms and at competitive rates as the need arises.

The same standards that apply to Austrade’s domestic legal service providers under arrangements with the Office of Legal Services Coordination are applied when engaging in-country legal services to provide specialist local advice in labour claims, property negotiations and commercial disputes.

Demand for legal services has increased in a number of operational areas:

- advice on property leases, service proposals and unique provider agreements, such as those required for the ongoing Landing Pad initiatives, telecommunications contracts and intellectual property ownership
- advice and application of policy on aspects of trade facilitation, financial services, education programs and client issues (including both complaints and litigation)
- sensitive personnel issues arising from labour claims, determination of entitlements and advice on separations
- internal staff training on changes to anti-bribery laws, as well as meeting Austrade’s international obligations to the OECD via Austrade’s external outreach program to Australian business in market
- privacy advice
- appeals under the Administrative Appeals Tribunal Act 1975, mainly involving appeals against determinations made under the Export Market Development Grants scheme
- advice on insurance, legislation, Austrade partner arrangements and trade disputes
- advice on streamlining Austrade’s procurement process.

Purchasing

Austrade’s approach to procuring goods and services, including consultancies, is consistent with, and reflects the principles of, the Commonwealth Procurement Rules. These rules are applied to activities through Chief Executive Instructions, supporting operational guidelines and Austrade’s procurement framework.

The principle underpinning the Commonwealth Procurement Rules is value for money. Austrade’s Chief Executive Instructions and internal policies have been developed to ensure the agency undertakes competitive, non-discriminatory procurement processes, and uses its resources efficiently, effectively, economically and ethically, while making decisions in an accountable and transparent manner.

Austrade supports its employees in managing procurements by providing information and training on procurement policies and procedures, and maintaining a central point of contact for advice on the Commonwealth Procurement Rules, Chief Executive Instructions, and procurement and contracting processes.
Austrade met its procurement obligations under the Indigenous Procurement Policy throughout the year by awarding 3 per cent of its domestic contracts to Indigenous businesses. The agency also continues to be a Supply Nation member, supporting Supply Nation–listed Indigenous enterprises.

No contracts of $100,000 or more were let during 2016–17 that did not provide for the Auditor-General to have access to the contractor’s premises.

No contracts or standing offers in excess of $10,000 (inclusive of GST) were exempted by the CEO from being published on AusTender on the basis they would disclose exempt matters under the Freedom of Information Act 1982.

Information on publicly available business opportunities with an estimated value of $80,000 or more, and expected to be undertaken in 2016–17, was published in Austrade’s annual procurement plan, which is available from the AusTender website at tenders.gov.au.

### Consultants

Austrade engages consultants when it requires specialist expertise or when independent research, review, advice or assessment is required.

Before engaging consultants, Austrade takes into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the Public Governance, Performance and Accountability Act 2013 and related rules, including the Commonwealth Procurement Rules and relevant internal policies.

During 2016–17, 37 new consultancy contracts were entered into involving total actual expenditure of $1,717,187. In addition, 19 ongoing consultancy contracts were active during 2016–17, involving total actual expenditure of $3,586,189. Table 31 provides trend information on Austrade’s consultancy contracts.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.

### Table 31: Trends in consultancies, 2012–13 to 2016–17

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<tbody>
<tr>
<td>Number of existing consultancies</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>Number of new consultancies</td>
<td>18</td>
<td>45</td>
<td>49</td>
<td>42(^{(a)})</td>
<td>37</td>
</tr>
<tr>
<td>Total consultancies</td>
<td>29</td>
<td>55</td>
<td>59</td>
<td>71(^{(a)})</td>
<td>56</td>
</tr>
</tbody>
</table>

\(^{(a)}\) In its 2015–16 annual report, Austrade reported its number of new consultancies for 2015–16 totalled 40. This figure should have been 42, and the above table has been updated accordingly. The total consultancies figure for 2015–16 has also been amended from 69 to 71, and the total expenditure figure from $7,484,342 to $7,509,632 to account for this change.
Procurement initiatives to support small business

Austrade supports small business participation in the Commonwealth Government procurement market. Statistics on the participation in procurement contracts of small to medium-sized enterprises (SMEs) (fewer than 200 employees) and small enterprises (fewer than 20 employees) are available on the Department of Finance’s website at finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

Austrade recognises the importance of ensuring small businesses are paid on time, with 96.9 per cent of invoices received by Austrade during 2016–17 paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury’s website at treasury.gov.au/publication/australian-government-pay-on-time-survey-performance-report.

To ensure SMEs can engage in fair competition for Australian Government business, Austrade has adopted procurement practices that support SMEs, which is consistent with paragraph 5.4 of the Commonwealth Procurement Rules, including, but not limited to:

› use of the Commonwealth Contracting Suite for low-risk procurements valued under $200,000
› electronic systems and other processes used to facilitate on-time payment, including the use of payment cards for eligible procurements valued under $10,000
› mandated competitive sourcing processes for all procurements valued at $10,000 or more where there is a competitive market
› engaging in non-discriminatory procurement sourcing and contracting practices.

In addition, Austrade has reduced the mandatory set-aside threshold under the Indigenous Procurement Policy ($80,000–$200,000) to $10,000–$200,000. This strategy provides Indigenous SMEs with limited capacity and capability to have an opportunity to be engaged for lower-value and less complex procurements, and also aids in their development and future capability through engagement.

Managing knowledge and information

Austrade relies heavily on knowledge and information systems to help it advance Australia’s trade, investment, international education and tourism interests. With a global 24-hour business, it is critical all information assets are available and accessible, any time, from any location, through a channel of choice.

Improving Austrade’s digital capability

Austrade has been working to enhance the agency’s digital experience and build capability to provide value from its core information assets. An executive governance committee oversees and guides the direction of online and digital investments.

The committee mandated online and digital investments meet one or more of four key principles:

› deepen relationships with clients by being better connected, and servicing by their preferences
› provide improved responsiveness through automation and enable clients to interact through their channels of choice
Management and accountability

Managing knowledge and information

- broaden reach and choice for clients by using technology to expand online services and access to information
- integrate with government and partners to deliver more comprehensive services and content and simplify navigation through government.

In line with these principles, during 2016–17, Austrade has continued to deliver solutions in the following areas:

**Data intelligence**—Austrade’s data intelligence initiative builds on existing capability to broaden the reach and accessibility of data intelligence to both Austrade and clients. A foundation has been laid for expanded data acquisition, insight and analytical capability. This opens up opportunities for data collaboration with other organisations and will deliver improved predictive analysis and richer insights on client interaction and behaviours, allowing Austrade to provide improved and better-targeted information and services.

**Digital channels**—to remain relevant to clients in a rapidly moving digital landscape, the agency needs to have platforms that can adapt to changing needs. In response, Austrade has begun to shift its IT focus from being a technology producer, to being a consumer and integrator of digital channels. Important steps have been taken to modernise its core IT platforms to achieve this outcome. The first step was Austrade’s successful implementation of its cloud-based event registration system last year, with further initiatives underway to increase and improve digital channels for clients and enhance their interactions with Austrade.

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**Challenge: Meeting Austrade’s digital transformation needs**

Austrade has traditionally relied heavily on paper-based files to manage its human resources records, which placed pressure on storage and meant information was not easily discoverable, hindering access to employee information.

The main barrier to moving to a digital approach in this regard was the complexity and effort required to consolidate multiple information sources into a comprehensive content set within a limited budget.

In response to this, throughout the year, Austrade looked at how its intranet, THE HUB, could be used to simplify the process and digitise files. Through THE HUB, Austrade has been able to transform its office culture in relation to human resources from paper file creation to a digital-by-default approach.

One of the key components of the strategy was the design and build of a central employee records repository that captured personnel information. This solution is now shared between a number of corporate teams, reducing duplication and aiding collaboration around single sets of information. Controls and monitoring were implemented to ensure integrity, security, authenticity and reliability of the information. This was a big step in aligning Austrade to the Digital Continuity 2020 policy and the Australian Government’s digital transformation initiatives.
Facilitating greater collaboration and communication across Austrade

To be effective in its role, Austrade needs to work in partnership with other Commonwealth agencies, state and territory governments, and non-government agencies and clients, encouraging collaboration and communication across its global network.

During 2016–17, the Austrade-Connected program focused on updating videoconferencing capability and implementing innovative ways to stay in touch with clients and colleagues. The program delivered:

› videoconferencing over the internet, to extend the reach and enhance communications with external parties, including integration with government and non-government agencies

› new channels for relationship management through cloud-based virtual meeting rooms, for private and public meetings, conferences and online promotional events

› messaging and presence across the network and to mobile devices in order to remain responsive on the go.

This enhanced functionality strengthens service delivery, equipping Austrade’s mobile and global workforce to better assist Australian businesses, education institutions, tourism operators, governments and citizens and contribute to Australia’s economic prosperity.

Austrade’s enhanced videoconferencing functionality in action during an address by Dr Stephanie Fahey, Austrade CEO, to staff in June 2017.
Andy Fu is one of five Austrade information and technology support managers (ITSMs) positioned strategically across the globe to reflect the agency’s ‘follow the sun’ model for providing IT support. Andy has worked for Austrade since 2009, and within the IT industry for 20 years. Based in Taipei, he provides both IT and language support for the surrounding locations.

Austrade’s Information and Technology Services Division developed its follow the sun model in 2013, positioning ITSMs in strategic locations to ensure capable IT support reach for all Austrade offices. Andy has built strong relationships with the surrounding regions of Japan, Korea, Hong Kong, Taiwan, the Philippines and Vietnam. This is evident in the reputation for service delivery he has built with staff, not only in these locations but in the extended Austrade community.

‘Supporting Austrade staff across a range of countries and time zones can be challenging, but it is always interesting and very rewarding’, said Andy.

Broadened reach—to build increased reach and responsiveness, Austrade is upgrading its existing global communication links and unified communication channels to deliver three key benefits:

› new ways for the TradeStart network to connect directly with Austrade’s expertise and overseas network, which will further help connect clients to global opportunities
› videoconferencing interconnectivity to other government and non-government agencies, linking Austrade with relevant networks to enhance its responsiveness to clients
› cloud-based collaboration and extension of Austrade’s corporate messaging platforms to its mobile devices to broaden Austrade’s mobile workforce capabilities.

Resilience—Austrade continues to build a resilient global IT network, with the replacement of its main network links, which commenced in 2016, to be complete in 2017–18. This will provide Austrade with a stable and holistic platform to progress future business.

Austrade’s primary and secondary data centres provide 24-hour applications availability. The data centres were successfully disaster recovery tested, with full fail-over and fail-back ensuring services could be maintained. To improve cybersecurity resilience, Austrade also ran a simulated cyberattack, with business and IT teams identifying potential threats and mitigation strategies. A number of recommendations were implemented in Austrade’s cyber response plan.

Capability—Austrade continues to invest in capability development and the use of Agile project methods across its IT workforce and business areas, ensuring user-focused discovery, design and implementation. This aligns Austrade to the Digital Transformation Agency and the Digital Service Standard.
Outlook for 2017–18
Management and accountability

Austrade will deliver staff awareness training around the implementation of its new fraud control plan for 2017–19. The agency’s new risk appetite statement will promote consistent risk management practices, help support informed decisions and achieve agency objectives. Austrade will continue to provide anti-bribery training for staff and support systems for clients in its anti-bribery outreach program.

Austrade will implement changes to the Privacy Act in relation to mandatory breach reporting requirements and the APS Privacy Governance Code. Austrade will also work towards digitising some of its records across its network, and create a digital library for all standard legal documentation in line with the Australian Government’s digital transformation agenda.

Austrade will focus its human resources efforts on mid-term workforce planning, development and talent identification programs; reviewing its Australia-based offshore deployment processes and practices; refreshing the agency’s approach to performance management; enhancing its focus on contemporary management and flexible work practices; and continuing to foster respectful workplace behaviours and inclusive leadership practice.

Austrade will continue to work with the Department of Foreign Affairs and Trade (DFAT) to prepare for the transition of the management of Austrade’s overseas properties to DFAT. Austrade’s domestic properties will be managed by an outsourced property service provider, as part of a broader group of government agencies, with the provider to be selected by a whole-of-government procurement process.

Austrade will also undertake a review of its procurement processes and procedures to identify opportunities for simplification and implementation of process efficiencies.

Austrade will continue to explore opportunities for adopting more cloud-based services, particularly for its core services. Austrade will also initiate a new client relationship management strategy, which will aim to analyse and map customers’ journeys and upgrade systems and supporting digital channels to reflect this; collect data and insights from interactions and share the information with relevant other parties; personalise the customer experience and interactions, and better target services and information; and refine security to reflect the highly networked nature of Austrade’s business and ensure data privacy.

Austrade will continue to develop, scale and strengthen its enterprise data intelligence capability, giving it the capacity to undertake new initiatives, including with other organisations. Austrade will pursue a collaboration program with government, private enterprise, education institutions and industry bodies to explore opportunities for sharing data to generate unique insights and value.

In addition, Austrade will examine possible technologies and approaches for distributing its datasets to export, tourism, investment and education parties. These will be delivered through open service interfaces and self-service cloud-based tools.
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INDEPENDENT AUDITOR’S REPORT
To the Minister for Trade, Tourism and Investment

Opinion

In my opinion, the financial statements of the Australian Trade and Investment Commission for the year ended 30 June 2017:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2013; and

(b) present fairly the financial position of the Australian Trade and Investment Commission as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Trade and Investment Commission, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Chief Executive and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Australian Trade and Investment Commission in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants to the extent that they are not in conflict with the Auditor-General Act 1997 (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority’s Responsibility for the Financial Statements

As the Accountable Authority of the Australian Trade and Investment Commission, the Chief Executive Officer is responsible under the Public Governance, Performance and Accountability Act 2013 for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Australian Trade and Investment Commission’s ability to continue as a going concern, taking into account whether the entity’s operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

S. Buchanan
Senior Executive Director
Delegate of the Auditor-General
Canberra
31 August 2017
In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Trade and Investment Commission will be able to pay its debts as and when they fall due.

Signed 

Dr Stephanie Fahey  
Chief Executive Officer  
31 August 2017

Signed 

Robert O’Meara  
Chief Finance Officer  
31 August 2017
## Australian Trade and Investment Commission

### Statement of Comprehensive Income

*for the period ended 30 June 2017*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
<th>Original Budget 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

### NET COST OF SERVICES

#### Expenses

- **Employee benefits** 1.1A
  - 2017: 142,749
  - 2016: 142,131
  - 2017: 136,849
- **Suppliers** 1.1B
  - 2017: 77,622
  - 2016: 100,007
  - 2017: 85,601
- **Depreciation and amortisation** 3.2A
  - 2017: 18,642
  - 2016: 17,881
  - 2017: 19,000
- **Write-Down and impairment of assets** 3.2A
  - 2017: 399
  - 2016: -
  - 2017: -
- **Losses from asset sales**
  - 2017: 228
  - 2016: 166
  - 2017: -

#### Total expenses

- 2017: 239,640
- 2016: 260,185
- 2017: 241,450

### Own-Source Income

#### Own-source revenue

- **Sale of goods and rendering of services**
  - 2017: 25,027
  - 2016: 24,241
  - 2017: 22,010
- **Rental income**
  - 2017: 293
  - 2016: 154
  - 2017: 100
- **Other revenue** 1.4A
  - 2017: 2,451
  - 2016: 3,687
  - 2017: 3,000

**Total own-source revenue**

- 2017: 27,771
- 2016: 28,082
- 2017: 25,110

#### Gains

- **Foreign exchange gains**
  - 2017: 453
  - 2016: (1,125)
  - 2017: -
- **Other gains**
  - 2017: 455
  - 2016: 357
  - 2017: -

**Total gains**

- 2017: 908
- 2016: (768)
- 2017: -

**Total own-source income**

- 2017: 28,679
- 2016: 27,314
- 2017: 25,110

### Net cost of services

- 2017: 210,961
- 2016: 232,871
- 2017: 216,340

### Revenue from Government

- 2017: 194,771
- 2016: 215,275
- 2017: 197,340

### (Deficit)

- 2017: (16,190)
- 2016: (17,596)
- 2017: (19,000)

### OTHER COMPREHENSIVE INCOME

**Items not subject to subsequent reclassification to net cost of services**

- **Change in asset revaluation surplus**
  - 2017: (76)
  - 2016: 4,583
  - 2017: 3,500

**Total other comprehensive income**

- 2017: (76)
- 2016: 4,583
- 2017: 3,500

The above statement should be read in conjunction with the accompanying notes.

1. It was determined that the acquisition and sale of a membership was incorrectly treated. There should have been the recognition of the financial asset at acquisition, and the gain in value to be recognised in equity (asset revaluation surplus). When the asset was sold, the subsequent adjustments to equity and income should also have occurred. The comparative (2016) amounts have been re-stated and disclosed via this footnote in accordance with Accounting Standards.
Budget Variances Commentary

The financial statements provide a comparison of the original budget as presented in the 2016-17 Portfolio Budget Statements (PBS) to the 2016-17 final outcome as presented in accordance with Australian Accounting Standards for Austrade. The Budget is not audited.

Variance are considered to be ‘major’ based on the following criteria:
- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 2% of total expenses; or
- the variance between budget and actual is below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of Austrade.

In some instances, a budget has not been provided for in the PBS, for example non-cash items such as asset revaluations, foreign exchange and sale of asset adjustments. Unless the variance is considered ‘major’ no explanation has been provided.

Statement of Comprehensive Income

Employee benefits
The budget does not take into account the level of attached agency expenses and the associated revenue that is subsequently recovered. This leads to a variance on both the expense and revenue side. In addition, fringe benefits tax expense was greater than the original budget due to the continued impact of changes to the concessional tax treatment of living-away-from-home allowances and benefits.

Suppliers
The higher spend on employee expenses has led to an associated reduction in the budget available for supplier expenses. In addition there has been a small favourable movement in the Australian Dollar, which reduces the costs of overseas supplier expenses.

Sale of goods and rendering of services
The budget does not take into account the level of attached agency expenses and the associated revenue that is subsequently recovered. This leads to a variance on both the expense and revenue side.

Revenue from Government
The Commission’s appropriation is adjusted on a “no win, no loss” basis to offset realised foreign exchange losses or gains, and this has reduced appropriation revenue in 2016-17 due to foreign exchange gains (in Australian dollar equivalents).
### Australian Trade and Investment Commission

**Statement of Financial Position**

*as at 30 June 2017*

| Notes | ASSETS | | | Original Budget |
|-------|--------|--------|--------|
|       |        | 2017 | 2016 | 2017 |

#### Financial assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>5,911</th>
<th>5,846</th>
<th>5,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>3.1A</td>
<td>54,843</td>
<td>50,063</td>
<td>47,055</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3.1A</td>
<td>-</td>
<td>372</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total financial assets**

60,754

#### Non-financial assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>15,420</th>
<th>16,539</th>
<th>13,737</th>
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</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>3.2A</td>
<td>9,464</td>
<td>14,214</td>
<td>12,128</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3.2A</td>
<td>9,381</td>
<td>11,214</td>
<td>27,735</td>
</tr>
<tr>
<td>Computer software</td>
<td>3.2A</td>
<td>16,085</td>
<td>11,810</td>
<td>-</td>
</tr>
<tr>
<td>Other intangibles</td>
<td>3.2A</td>
<td>8,496</td>
<td>9,431</td>
<td>7,769</td>
</tr>
</tbody>
</table>

**Total non-financial assets**

58,846

**Total assets**

119,600

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>12,843</th>
<th>12,814</th>
<th>10,996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>3.3A</td>
<td>4,999</td>
<td>3,491</td>
<td>2,536</td>
</tr>
<tr>
<td>Other payables</td>
<td>3.3B</td>
<td>65</td>
<td>308</td>
<td>1,395</td>
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</tbody>
</table>

**Total payables**

17,842

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>34,682</th>
<th>35,725</th>
<th>36,684</th>
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</thead>
<tbody>
<tr>
<td>Employee provisions</td>
<td>6.1A</td>
<td>65</td>
<td>308</td>
<td>1,395</td>
</tr>
<tr>
<td>Other provisions</td>
<td>3.4A</td>
<td>34,747</td>
<td>36,033</td>
<td>38,079</td>
</tr>
</tbody>
</table>

**Total provisions**

34,747

**Total liabilities**

52,589

**Net assets**

67,011

#### EQUITY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>102,821</th>
<th>86,695</th>
<th>102,816</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed equity</td>
<td></td>
<td>32,410</td>
<td>32,486</td>
<td>31,994</td>
</tr>
<tr>
<td>(Accumulated deficit)</td>
<td>(68,220)</td>
<td>(52,030)</td>
<td>(72,497)</td>
<td></td>
</tr>
</tbody>
</table>

**Total equity**

67,011

The above statement should be read in conjunction with the accompanying notes.

1. It was determined that the acquisition and sale of a membership was incorrectly treated. There should have been the recognition of the financial asset at acquisition, and the gain in value to be recognised in equity (asset revaluation surplus). When the asset was sold, the subsequent adjustments to equity and income should also have occurred. The comparative (2016) amounts have been re-stated and disclosed via this footnote in accordance with Accounting Standards.
Australian Trade and Investment Commission
Statement of Financial Position
as at 30 June 2017

Budget Variances Commentary

Statement of Financial Position

Trade and other receivables
Total trade and other receivables was higher than the original budget, mainly due to an increase in appropriation receivable relating to lower supplier expenses.

Plant and equipment
The application of the Commission’s Departmental Capital Budget against Tourism intangible assets has resulted in lower funding being available for other asset purchases, and therefore the plant and equipment balance was lower than the original budget.

Equity
Refer to Statement of Changes in Equity for budget variance explanation.
## Statement of Changes in Equity

**for the period ended 30 June 2017**

### CONTRIBUTED EQUITY

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
<th>Original Budget $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRIBUTED EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>86,695</td>
<td>69,817</td>
<td>86,695</td>
</tr>
<tr>
<td>Adjustments</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted opening balance</strong></td>
<td>86,700</td>
<td>69,817</td>
<td>86,695</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions by owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injection</td>
<td>1,595</td>
<td>2,718</td>
<td>1,595</td>
</tr>
<tr>
<td>Departmental capital budget</td>
<td>14,526</td>
<td>14,160</td>
<td>14,526</td>
</tr>
<tr>
<td><strong>Total transactions with owners</strong></td>
<td>16,121</td>
<td>16,878</td>
<td>16,121</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>102,821</td>
<td>86,695</td>
<td>102,816</td>
</tr>
</tbody>
</table>

### RETAINED EARNINGS

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
<th>Original Budget $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RETAINED EARNINGS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period¹</td>
<td>(52,030)</td>
<td>(90,644)</td>
<td>(53,497)</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>(52,030)</td>
<td>(90,644)</td>
<td>(53,497)</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit) for the period</td>
<td>(16,190)</td>
<td>(17,596)</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>(16,190)</td>
<td>(17,596)</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Transfers between equity components¹</td>
<td>-</td>
<td>56,210</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>(68,220)</td>
<td>(52,030)</td>
<td>(72,497)</td>
</tr>
</tbody>
</table>

### ASSET REVALUATION RESERVE

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
<th>Original Budget $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSET REVALUATION RESERVE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>32,486</td>
<td>27,903</td>
<td>28,494</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>32,486</td>
<td>27,903</td>
<td>28,494</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income¹</td>
<td>(76)</td>
<td>4,583</td>
<td>3,500</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>(76)</td>
<td>4,583</td>
<td>3,500</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>32,410</td>
<td>32,486</td>
<td>31,994</td>
</tr>
</tbody>
</table>
### Statement of Changes in Equity

**for the period ended 30 June 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
<th>Original Budget 2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL RESERVE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>-</td>
<td>56,210</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>-</td>
<td>56,210</td>
<td>-</td>
</tr>
<tr>
<td>Transfers between equity components(^1)</td>
<td>-</td>
<td>(56,210)</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>67,156</td>
<td>63,286</td>
<td>61,692</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>67,156</td>
<td>63,286</td>
<td>61,692</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit) for the period</td>
<td>(16,190)</td>
<td>(17,596)</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(76)</td>
<td>4,583</td>
<td>3,500</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(16,266)</td>
<td>(13,013)</td>
<td>(15,500)</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions by owners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injection</td>
<td>1,595</td>
<td>2,718</td>
<td>1,595</td>
</tr>
<tr>
<td>Departmental capital budget</td>
<td>14,526</td>
<td>14,160</td>
<td>14,526</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>16,121</td>
<td>16,878</td>
<td>16,121</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>67,011</td>
<td>67,151</td>
<td>62,313</td>
</tr>
</tbody>
</table>

\(^1\) The opening balance of the general reserve represents revaluation surpluses transferred from the asset revaluation reserve when properties from the establishment of the Commission (in 1985) were disposed. The Commission no longer holds any properties from 1985. In accordance with *AASB 116 Property, Plant and Equipment*, the Commission has transferred this revaluation surplus to retained earnings.

#### Accounting Policy

**Equity Injections**

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

**Restructuring of Administrative Arrangements**

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

#### Budget Variances Commentary

**Statement of Changes in Equity**

*Contributed Equity/Retained Earnings/General Reserve*

There were no material variances between equity components.
## Australian Trade and Investment Commission
### Cash Flow Statement
**for the period ended 30 June 2017**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>2017</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>190,451</td>
<td>216,489</td>
<td>197,340</td>
<td></td>
</tr>
<tr>
<td>Sale of goods and rendering of services</td>
<td>26,039</td>
<td>23,811</td>
<td>22,110</td>
<td></td>
</tr>
<tr>
<td>Net GST received</td>
<td>3,963</td>
<td>5,442</td>
<td>3,731</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,102</td>
<td>4,038</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>226,181</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Employees</td>
<td>143,263</td>
<td>141,791</td>
<td>136,849</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>79,653</td>
<td>108,108</td>
<td>89,332</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>222,916</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash from/(used by) operating activities</strong></td>
<td>639</td>
<td>(119)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES
**Cash received**
- Proceeds from sales of property, plant and equipment: 217, 150, -

**Cash used**
- Purchase of property, plant and equipment: 16,396, 12,962, 16,121

**Net cash (used by) investing activities**
- (16,179), (12,812), (16,121)

### FINANCING ACTIVITIES
**Cash received**
- Contributed equity: 15,605, 12,896, 16,121

**Net cash from financing activities**
- 15,605, 12,896, 16,121

**Net increase/(decrease) in cash held**
- 65, (35), -

**Cash and cash equivalents at the beginning of the reporting period**
- 5,846, 5,881, 5,500

**Cash and cash equivalents at the end of the reporting period**
- 5,911, 5,846, 5,500

The above statement should be read in conjunction with the accompanying notes.

---

**Budget Variances Commentary**

**Cash Flow Statement**
- Appropriations/Sale of goods and rendering of services/Employees/Suppliers
- Refer to Statement of Comprehensive Income for budget variance explanations.
Australian Trade and Investment Commission
Administered Schedule of Comprehensive Income
for the period ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>Original Budget</th>
<th>2017</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>----------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2.1A</td>
<td>5,199</td>
<td>5,424</td>
<td>5,000</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2.1B</td>
<td>1,363</td>
<td>1,272</td>
<td>1,895</td>
</tr>
<tr>
<td>Grants</td>
<td>2.1C</td>
<td>141,712</td>
<td>135,840</td>
<td>133,819</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>148,274</td>
<td>142,536</td>
<td>140,714</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-taxation revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>91</td>
<td>179</td>
<td>-</td>
</tr>
<tr>
<td>Total non-taxation revenue</td>
<td></td>
<td>91</td>
<td>179</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue</td>
<td></td>
<td>91</td>
<td>179</td>
<td>-</td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td>91</td>
<td>179</td>
<td>-</td>
</tr>
<tr>
<td>Net (cost of) services</td>
<td></td>
<td>(148,183)</td>
<td>(142,357)</td>
<td>140,714</td>
</tr>
<tr>
<td>(Deficit)</td>
<td></td>
<td>(148,183)</td>
<td>(142,357)</td>
<td>(140,714)</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items not subject to subsequent reclassification to net cost of services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive (loss)</td>
<td></td>
<td>(148,183)</td>
<td>(142,357)</td>
<td>140,714</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variances Commentary**

**Administered Schedule of Comprehensive Income**

**Grants**

Grant expenditure has increased due to a rise in number of valid claimants within the financial year.
## Australian Trade and Investment Commission  
**Administered Schedule of Assets and Liabilities**

*as at 30 June 2017*

<table>
<thead>
<tr>
<th>Notes</th>
<th>ASSETS</th>
<th>Original Budget</th>
<th>2017</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td>204</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade and other receivables</td>
<td>4.1A</td>
<td>127</td>
<td>198</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Total financial assets</td>
<td>331</td>
<td>198</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total assets administered on behalf of Government</td>
<td>331</td>
<td>198</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers</td>
<td>4.2A</td>
<td>324</td>
<td>197</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Grants</td>
<td>4.2B</td>
<td>1,368</td>
<td>240</td>
<td>635</td>
</tr>
<tr>
<td></td>
<td>Other payables</td>
<td>4.2C</td>
<td>38</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Total payables</td>
<td>1,730</td>
<td>455</td>
<td>687</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee provisions</td>
<td>6.1B</td>
<td>2,256</td>
<td>2,382</td>
<td>2,035</td>
</tr>
<tr>
<td></td>
<td>Grants provisions</td>
<td>4.3A</td>
<td>16,327</td>
<td>8,523</td>
<td>6,066</td>
</tr>
<tr>
<td></td>
<td>Total provisions</td>
<td>18,583</td>
<td>10,905</td>
<td>8,101</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total liabilities administered on behalf of Government</td>
<td>20,313</td>
<td>11,360</td>
<td>8,788</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net (liabilities)</td>
<td>(19,982)</td>
<td>(11,162)</td>
<td>(8,747)</td>
<td></td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.

### Budget Variances Commentary

**Administered Schedule of Assets and Liabilities**

**Provisions**

Grants provision has increased due to a rise in number of valid claimants within the financial year leading to the requirement to provision to pay out valid claims in future years.
Australian Trade and Investment Commission
Administered Reconciliation Schedule

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening assets less liabilities as at 1 July</td>
<td>(11,162)</td>
<td>(8,747)</td>
</tr>
<tr>
<td>Net (cost of)/contribution by services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>91</td>
<td>179</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to entities other than corporate Commonwealth entities</td>
<td>(148,274)</td>
<td>(142,536)</td>
</tr>
<tr>
<td>Transfers (to)/from the Australian Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation transfers from Official Public Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to entities other than corporate Commonwealth entities</td>
<td>139,450</td>
<td>140,059</td>
</tr>
<tr>
<td>Appropriation transfers to OPA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers to OPA</td>
<td>(87)</td>
<td>(117)</td>
</tr>
<tr>
<td>Closing assets less liabilities as at 30 June</td>
<td>(19,982)</td>
<td>(11,162)</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

*Administered Cash Transfers to and from the Official Public Account*

Revenue collected by Austrade for use by the Government rather than Austrade is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by Austrade on behalf of the Government and reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.
## Administered Cash Flow Statement

*for the period ended 30 June 2017*

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>Notes</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net GST received</td>
<td></td>
<td>259</td>
<td>191</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>90</td>
<td>203</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td></td>
<td>349</td>
<td>394</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td>5,305</td>
<td>5,059</td>
</tr>
<tr>
<td>Suppliers</td>
<td></td>
<td>1,217</td>
<td>1,499</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>132,986</td>
<td>133,778</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td></td>
<td>139,508</td>
<td>140,336</td>
</tr>
<tr>
<td><strong>Net cash (used by) operating activities</strong></td>
<td></td>
<td>(139,159)</td>
<td>(139,942)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at the beginning of the reporting period

Cash and cash equivalents at the end of the reporting period

The above statement should be read in conjunction with the accompanying notes.
# Table of Contents - Notes

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
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<td>189</td>
</tr>
<tr>
<td>1.2. Own-Source Revenue and Gains</td>
<td>191</td>
</tr>
<tr>
<td>2. Income and Expenses Administered on Behalf of Government</td>
<td>192</td>
</tr>
<tr>
<td>2.1. Administered – Expenses</td>
<td>192</td>
</tr>
<tr>
<td>3. Financial Position</td>
<td>194</td>
</tr>
<tr>
<td>3.1. Financial Assets</td>
<td>194</td>
</tr>
<tr>
<td>3.2. Non-Financial Assets</td>
<td>195</td>
</tr>
<tr>
<td>3.3. Payables</td>
<td>198</td>
</tr>
<tr>
<td>3.4. Other Provisions</td>
<td>198</td>
</tr>
<tr>
<td>4. Assets and Liabilities Administered on Behalf of Government</td>
<td>199</td>
</tr>
<tr>
<td>4.1. Administered – Financial Assets</td>
<td>199</td>
</tr>
<tr>
<td>4.2. Administered – Payables</td>
<td>200</td>
</tr>
<tr>
<td>4.3. Administered – Other Provisions</td>
<td>200</td>
</tr>
<tr>
<td>5. Funding</td>
<td>201</td>
</tr>
<tr>
<td>5.1. Appropriations</td>
<td>201</td>
</tr>
<tr>
<td>5.2. Special Accounts</td>
<td>204</td>
</tr>
<tr>
<td>6. People and Relationships</td>
<td>205</td>
</tr>
<tr>
<td>6.1. Employee Provisions</td>
<td>205</td>
</tr>
<tr>
<td>6.2. Key Management Personnel Remuneration</td>
<td>206</td>
</tr>
<tr>
<td>6.3. Related Party Transactions</td>
<td>206</td>
</tr>
<tr>
<td>7. Managing Uncertainties</td>
<td>207</td>
</tr>
<tr>
<td>7.1. Contingent Assets and Liabilities</td>
<td>207</td>
</tr>
<tr>
<td>7.2. Fair Value Measurement</td>
<td>208</td>
</tr>
<tr>
<td>8. Other Information</td>
<td>208</td>
</tr>
<tr>
<td>8.1. Assets Held in Trust</td>
<td>208</td>
</tr>
</tbody>
</table>
Objectives of the Australian Trade and Investment Commission

The Australian Trade and Investment Commission (Austrade) is an Australian Government controlled entity. It is a not-for-profit entity.

Austrade is the Australian Government’s international trade, education and investment promotion agency. It also has responsibility for tourism policy and research where the Government’s focus is on international tourism. The objective of Austrade is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, associations, and governments as they develop international markets, win productive foreign investment, promote international education, and strengthen the Australian tourism industry.

Austrade is structured to meet the following outcomes:

Outcome 1: Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government; and

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

The continued existence of Austrade in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for Austrade’s administration and programs.

Austrade's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by Austrade in its own right. Administered activities involve the management or oversight by Austrade, on behalf of the Government, of items controlled or incurred by the Government.

Austrade conducts the following administered activities on behalf of the Government:

- Export Market Development Grants Scheme;
- Asian Business Engagement Plan Grants;
- Australian Tropical Medicine Commercialisation Grants; and
- Free Trade Agreement Training Provider Grants.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

The financial statements have been prepared in accordance with:

- the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of Austrade’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about estimates and assumptions that have the most significant impacts on the amounts recorded in the financial statements is included in the following notes:

- Note 4.3: Administered – Other Provisions
- Note 6.1 Employee Provisions
- Note 7.2: Fair Value Measurement

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.
Notes to and forming part of the financial statements

Australian Trade and Investment Commission

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new Standard was issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chief Executive Officer and Chief Finance Officer and had an impact on Austrade’s financial statements:

<table>
<thead>
<tr>
<th>Standard/Interpretation</th>
<th>Application date for Austrade</th>
<th>Nature of impending change/s in accounting policy and likely impact on initial application</th>
</tr>
</thead>
</table>
| AASB 15 Revenue from Contracts with Customers | 1 July 2017 | AASB 15:  
- establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers, with revenue recognised as 'performance obligations' are satisfied; and  
- will apply to contracts of not-for-profit entities that are exchange transactions. AASB 1004 Contributions will continue to apply to non-exchange transactions.  
Likely impact: Austrade is yet to undertake a detailed assessment of the impact of AASB 15. However, based on Austrade’s preliminary assessment, it is not expected to have a significant impact on the timing of the recognition of revenue. |
| AASB 9 Financial Instruments | 1 July 2018 | AASB 9 incorporates:  
- the classification and measurement requirements for financial assets and for financial liabilities, and the recognition and derecognition requirements for financial instruments;  
- requirements for impairment of financial assets; and  
- hedge accounting.  
Likely impact: Austrade is yet to undertake a detailed assessment of the impact of AASB 9. However, based on Austrade’s preliminary assessment, it is not expected to have a significant impact on the recognition and measurement of Austrade’s financial instruments. |
| AASB 16 Leases | 1 July 2019 | AASB 16 incorporates:  
- changes to the way lessees recognise leases, with leases to be recognised as assets on the balance sheet along with the corresponding liability for lease payments.  
Likely impact: Austrade is yet to undertake a detailed assessment of the impact of AASB 16. However, based on Austrade’s preliminary assessment, it is expected to have a significant impact on the recognition and measurement of Austrade’s leases. |

1. Austrade’s expected initial application date is when the accounting standard becomes operative at the beginning of Austrade’s reporting period.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on Austrade’s financial statements.
Australian Trade and Investment Commission
Notes to and forming part of the financial statements

Taxation

Austrade is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Austrade also pays various in-country taxes applicable to its overseas operations.

**Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Foreign Currency

Transactions denominated in a foreign currency are translated to Australian currency using the exchange rate at the date of the transaction. At reporting date, foreign currency receivables and payables or assets and liabilities are translated at the exchange rates current as at that date. All exchange gains and losses are recognised as revenues or expenses, as appropriate.

Austrade's operating budget funding for overseas activities is adjusted for any differences in realised foreign exchange transactions during the year against rates set at Budget by the Department of Finance. Adjustments are generally made to the Appropriation Bills in the current or following year.

Sales of Goods and Rendering of Services

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer;
b) Austrade retains no managerial involvement or effective control over the goods;

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when Austrade gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Events After the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of Austrade.
### Australian Trade and Investment Commission

**Notes to and forming part of the financial statements**

#### 1. Departmental Financial Performance

This section analyses the financial performance of Austrade for the year ended 30 June 2017.

#### 1.1. Expenses

<table>
<thead>
<tr>
<th>Note 1.1A: Employee Benefits</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>102,982</td>
<td>102,476</td>
</tr>
<tr>
<td>Superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution plans</td>
<td>4,811</td>
<td>4,451</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>5,381</td>
<td>5,542</td>
</tr>
<tr>
<td>Leave and other entitlements</td>
<td>21,129</td>
<td>20,282</td>
</tr>
<tr>
<td>Separation and redundancies</td>
<td>1,436</td>
<td>2,131</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>7,010</td>
<td>7,249</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td><strong>142,749</strong></td>
<td><strong>142,131</strong></td>
</tr>
</tbody>
</table>

**Accounting Policy**

Accounting policies for employee related expenses are contained in the People and Relationships section.
Note 1.1B: Suppliers

Goods and services supplied or rendered

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractors, consultants and service providers</td>
<td>12,347</td>
<td>20,036</td>
</tr>
<tr>
<td>Non-lease property related costs</td>
<td>6,698</td>
<td>5,724</td>
</tr>
<tr>
<td>Publicity and promotions</td>
<td>7,111</td>
<td>22,091</td>
</tr>
<tr>
<td>Communications and information technology</td>
<td>4,890</td>
<td>5,130</td>
</tr>
<tr>
<td>Travel and related expenses</td>
<td>8,729</td>
<td>10,499</td>
</tr>
<tr>
<td>Tradestart payments</td>
<td>2,345</td>
<td>2,664</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>9,254</td>
<td>10,516</td>
</tr>
<tr>
<td><strong>Total goods and services supplied or rendered</strong></td>
<td>51,374</td>
<td>76,660</td>
</tr>
</tbody>
</table>

Services rendered                                  | 51,374| 76,660|

Total goods and services supplied or rendered      | 51,374| 76,660|

Other suppliers

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease rentals</td>
<td>25,807</td>
<td>22,678</td>
</tr>
<tr>
<td>Workers compensation expenses</td>
<td>441</td>
<td>669</td>
</tr>
<tr>
<td><strong>Total other suppliers</strong></td>
<td>26,248</td>
<td>23,347</td>
</tr>
</tbody>
</table>

Total suppliers                                    | 77,622| 100,007|

Leasing commitments

Austrade in its capacity as lessee is exposed to contingent rent payable, including escalation based on indexation rates and market rent reviews. The contingent rent component is not significant.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

<table>
<thead>
<tr>
<th>Commitment Type</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>15,552</td>
<td>18,922</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>30,269</td>
<td>35,069</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>2,549</td>
<td>4,671</td>
</tr>
<tr>
<td><strong>Total operating lease commitments</strong></td>
<td>48,370</td>
<td>58,662</td>
</tr>
</tbody>
</table>

Commitments for sublease rental income receivables as follows:

<table>
<thead>
<tr>
<th>Commitment Type</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>1,121</td>
<td>582</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>1,428</td>
<td>202</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total sublease rental income commitments</strong></td>
<td>2,549</td>
<td>784</td>
</tr>
</tbody>
</table>

Accounting Policy

Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Security deposits in relation to overseas property leases are payable to Austrade on the termination of individual leases. These deposits are classified as current or non-current receivables as appropriate.

Lease incentives taking the form of payments from landlords, subsidised fitout, or rental holidays, are recognised as liabilities. These liabilities are reduced by allocating future lease payments between rental expense and reduction of the liability.
1.2. Own-Source Revenue and Gains

<table>
<thead>
<tr>
<th></th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Other¹</td>
<td>2,291</td>
<td>3,527</td>
</tr>
<tr>
<td>Total other revenue</td>
<td>2,451</td>
<td>3,687</td>
</tr>
</tbody>
</table>

1. Other revenue includes officer contributions for rental and other miscellaneous forms of revenue.

**Accounting Policy**

**Resources Received Free of Charge**

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another non-corporate or corporate Commonwealth entity as a consequence of a restructuring of administrative arrangements.
2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that Austrade does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1. Administered – Expenses

<table>
<thead>
<tr>
<th></th>
<th>2017 ($’000)</th>
<th>2016 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note 2.1A: Employee Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>4,405</td>
<td>4,642</td>
</tr>
<tr>
<td>Superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution plans</td>
<td>221</td>
<td>212</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>541</td>
<td>523</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Other employee expenses</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Total employee benefits</td>
<td>5,199</td>
<td>5,424</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note 2.1B: Suppliers</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services supplied or rendered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>945</td>
<td>962</td>
</tr>
<tr>
<td>Total goods and services supplied or rendered</td>
<td>945</td>
<td>962</td>
</tr>
<tr>
<td>Services rendered</td>
<td>945</td>
<td>962</td>
</tr>
<tr>
<td>Total services rendered</td>
<td>945</td>
<td>962</td>
</tr>
<tr>
<td>Total goods and services supplied or rendered</td>
<td>945</td>
<td>962</td>
</tr>
<tr>
<td>Other suppliers</td>
<td>418</td>
<td>310</td>
</tr>
<tr>
<td>Total other suppliers</td>
<td>418</td>
<td>310</td>
</tr>
<tr>
<td>Total suppliers</td>
<td>1,363</td>
<td>1,272</td>
</tr>
</tbody>
</table>

Leasing commitments

Austrade in its capacity as lessee is exposed to contingent rent payable, including escalation based on indexation rates and market rent reviews. The contingent rent component is not significant.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017 ($’000)</th>
<th>2016 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>454</td>
<td>496</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>1,211</td>
<td>1,719</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating lease commitments</td>
<td>1,665</td>
<td>2,215</td>
</tr>
</tbody>
</table>

Commitments for sublease rental income receivables are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017 ($’000)</th>
<th>2016 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total sublease rental income commitments</td>
<td>-</td>
<td>14</td>
</tr>
</tbody>
</table>
**Australian Trade and Investment Commission**

**Notes to and forming part of the financial statements**

<table>
<thead>
<tr>
<th>Note 2.1C: Grants</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Private sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Market Development Grants</td>
<td>139,153</td>
<td>133,906</td>
</tr>
<tr>
<td>Asian Business Engagement Plan Grants</td>
<td>-</td>
<td>341</td>
</tr>
<tr>
<td>Australian Tropical Medicine Commercialisation Grants</td>
<td>1,042</td>
<td>1,025</td>
</tr>
<tr>
<td>Free Trade Agreement Training Provider Grants</td>
<td>1,517</td>
<td>568</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td><strong>141,712</strong></td>
<td><strong>135,840</strong></td>
</tr>
</tbody>
</table>

**Accounting Policy**

**Grants**

Austrade, on behalf of the Government, administers grants relating to the Export Market Development Grants Scheme (EMDG), Asian Business Engagement Plan (ABE Plan), Australian Tropical Medicine Commercialisation (ATMC) and Free Trade Agreement Training Provider Grants (FTA-TP).

Export Market Development Grants are brought to account when deemed payable in accordance with the provisions of the *Export Market Development Grants Act 1997*. However, a provision is also recognised at the end of the financial year for the likely payments arising from grants claims and appeals lodged but not yet finalised based on prior years' payment history.

ABE Plan, ATMC and FTA-TP grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied, this is considered a commitment.
3. Financial Position
This section analyses Austrade’s assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1. Financial Assets

<table>
<thead>
<tr>
<th>Note 3.1A: Trade and Other Receivables</th>
<th>2017 $’000</th>
<th>2016 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good and services receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods and services</td>
<td>3,872</td>
<td>3,872</td>
</tr>
<tr>
<td>Total goods and services receivables</td>
<td>3,872</td>
<td>3,872</td>
</tr>
<tr>
<td>Appropriations receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation receivable</td>
<td>50,452</td>
<td>45,616</td>
</tr>
<tr>
<td>Total appropriations receivable</td>
<td>50,452</td>
<td>45,616</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST receivable from the Australian Taxation Office</td>
<td>549</td>
<td>633</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>549</td>
<td>633</td>
</tr>
<tr>
<td>Total trade and other receivables (gross)</td>
<td>54,873</td>
<td>50,121</td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total trade and other receivables (net)</td>
<td>54,843</td>
<td>50,063</td>
</tr>
</tbody>
</table>

Credit terms for goods and services were within 30 days (2016: 30 days).

Reconciliation of the Impairment Allowance

<table>
<thead>
<tr>
<th>Movements in relation to 2017</th>
<th>Goods and services $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2016</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>(57)</td>
<td>(57)</td>
</tr>
<tr>
<td>Increase recognised in net cost of services</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Total as at 30 June 2017</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Movements in relation to 2016</th>
<th>Goods and services $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2015</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(11)</td>
<td>(11)</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>(9)</td>
<td>(9)</td>
</tr>
<tr>
<td>Increase recognised in net cost of services</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Total as at 30 June 2016</td>
<td>58</td>
<td>58</td>
</tr>
</tbody>
</table>

Accounting Policy
Financial assets and liabilities are measured at fair value. In practice this means that receivables are measured at their nominal amounts, less any allowance for impairment losses. Provisions are made when collection of the debt is judged to be less rather than more likely.

Accounting Judgements and Estimates
The provision for impairment of departmental financial assets has been determined by reference to collection histories in previous years and the current debt profile.
### 3.2. Non-Financial Assets

**Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2017**

<table>
<thead>
<tr>
<th></th>
<th>Buildings - leasehold improvements $'000</th>
<th>Plant and equipment $'000</th>
<th>Computer software¹ $'000</th>
<th>Other intangibles² $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1 July 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>16,539</td>
<td>14,214</td>
<td>54,910</td>
<td>13,762</td>
<td>99,425</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>-</td>
<td>(43,696)</td>
<td>(1,952)</td>
<td>(45,648)</td>
</tr>
<tr>
<td><strong>Total as at 1 July 2016</strong></td>
<td>16,539</td>
<td>14,214</td>
<td>11,214</td>
<td>11,810</td>
<td>53,777</td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase or internally developed</td>
<td>2,979</td>
<td>2,303</td>
<td>4,596</td>
<td>5,948</td>
<td>15,826</td>
</tr>
<tr>
<td>Revaluations and impairments recognised in other comprehensive income</td>
<td>233</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>233</td>
</tr>
<tr>
<td>Impairments recognised in net cost of services</td>
<td>-</td>
<td>-</td>
<td>(399)</td>
<td>-</td>
<td>(399)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(4,338)</td>
<td>(6,614)</td>
<td>(6,017)</td>
<td>(1,673)</td>
<td>(18,642)</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>(432)</td>
<td>(13)</td>
<td>-</td>
<td>(445)</td>
</tr>
<tr>
<td><strong>Total as at 30 June 2017</strong></td>
<td>15,420</td>
<td>9,464</td>
<td>9,381</td>
<td>16,085</td>
<td>50,350</td>
</tr>
</tbody>
</table>

**Total as at 30 June 2017 represented by**

<table>
<thead>
<tr>
<th></th>
<th>Buildings - leasehold improvements $'000</th>
<th>Plant and equipment $'000</th>
<th>Computer software¹ $'000</th>
<th>Other intangibles² $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross book value</strong></td>
<td>15,420</td>
<td>15,584</td>
<td>59,339</td>
<td>19,710</td>
<td>110,053</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td>-</td>
<td>(6,120)</td>
<td>(49,958)</td>
<td>(3,625)</td>
<td>(59,703)</td>
</tr>
<tr>
<td><strong>Total as at 30 June 2017</strong></td>
<td>15,420</td>
<td>9,464</td>
<td>9,381</td>
<td>16,085</td>
<td>50,350</td>
</tr>
</tbody>
</table>

1. The carrying amount of computer software included $3.965 million purchased software and $5.417 million internally generated software.
2. Other intangibles comprise capital costs in connection with the Tourism International Visitor Survey and National Visitor Survey.
## Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor’s accounts immediately prior to the restructuring.

### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $5,000 ($3,500 for computer equipment), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located where there is a reasonable prospect that this will be required.

### Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. For the majority of items of plant and equipment, the Commission procured valuation services from Pickles Valuation Services (Pickles) in 2016 and relied on valuation models provided by Pickles. The remaining items of plant and equipment are subject to management valuation using market-based evidence.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to Austrade using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

### Impairment

All assets were assessed for impairment at 30 June 2017. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if Austrade were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Restoration Provisions

Provisions for restoration represent restoration obligations in respect of information and communications technology equipment. This specifically relates to the costs of removing and disposing of information and communication technology equipment associated with our current site data centre in Canberra. The provisions are the best estimate of the present value of the expenditure required to settle the restoration obligations at reporting date, based on current security and legal requirements and technology. The amount of the provision for future restoration costs is capitalised as a Plant and Equipment asset and amortised over the asset’s life.

### Intangibles

Austrade’s intangibles comprise internally developed and purchased software for internal use and other intellectual property. Other intellectual property comprises databases, still and moving images and website resources. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible asset development projects in progress, where future economic benefits are assessed as probable, are recognised progressively as assets and measured at cost. Amortisation begins when the asset is first put into use or held ready for use.

Intangible assets are amortised on a straight-line basis over their anticipated useful life. The useful lives of Austrade’s intangibles are 3 to 10 years (2016: 3 to 10 years). All intangible assets were assessed for indications of impairment as at 30 June 2017.

### Useful Lives and Depreciation Rates

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>2017 Useful Lives</th>
<th>2016 Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>3 to 10 years</td>
<td>3 to 10 years</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 to 10 years</td>
<td>3 to 10 years</td>
</tr>
</tbody>
</table>
Australian Trade and Investment Commission
Notes to and forming part of the financial statements

Contractual commitments for the acquisition of property, plant, equipment and intangible assets
Property, plant, equipment and intangible assets commitments are primarily contracts for purchases of leasehold improvements, computer software and other intellectual property.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Commitments are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td>3,705</td>
<td>3,850</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total commitments</td>
<td>3,756</td>
<td>3,901</td>
</tr>
</tbody>
</table>

There were no impairment losses on buildings (2016: $0.002m) to be recognised in other comprehensive income.

No buildings are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

No plant or equipment or intangibles are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

Revaluations of non-financial assets
All revaluations were conducted in accordance with revaluation policy as stated above.

The 2017 revaluation of leasehold improvements was conducted by the independent qualified valuer Colliers International Pty Ltd. A management valuation of plant and equipment was conducted at 30 June 2016. No revaluation was conducted at 30 June 2017.

Note 3.2B: Other Non-Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments - property leases</td>
<td>5,356</td>
<td>5,184</td>
</tr>
<tr>
<td>Prepayments - other</td>
<td>3,140</td>
<td>4,247</td>
</tr>
<tr>
<td>Total other non-financial assets</td>
<td>8,496</td>
<td>9,431</td>
</tr>
</tbody>
</table>

No indicators of impairment were found for other non-financial assets.
3.3. Payables

<table>
<thead>
<tr>
<th>Note 3.3A: Suppliers</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors and accruals</td>
<td>12,843</td>
<td>12,814</td>
</tr>
<tr>
<td>Total suppliers</td>
<td>12,843</td>
<td>12,814</td>
</tr>
</tbody>
</table>

Settlement was usually made within 30 days.

**Accounting Policy**

Trade creditors and accruals are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced) and measured at their nominal amounts, being the amounts at which they will be settled.

3.4. Other Provisions

<table>
<thead>
<tr>
<th>Note 3.4A: Other Provisions</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for onerous contracts</td>
<td>15</td>
<td>74</td>
</tr>
<tr>
<td>Provision for restoration</td>
<td>50</td>
<td>234</td>
</tr>
<tr>
<td>Total other provisions</td>
<td>65</td>
<td>308</td>
</tr>
</tbody>
</table>

As at 1 July 2016

<table>
<thead>
<tr>
<th>Provision for onerous contracts</th>
<th>Provision for restoration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2016</td>
<td>74</td>
<td>234</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(59)</td>
<td>-</td>
</tr>
<tr>
<td>Amounts reversed</td>
<td>-</td>
<td>(184)</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Austrade currently has 83 (2016: 90) agreements for the leasing of premises that have provisions requiring Austrade to restore the premises to their original condition at the conclusion of the lease. Austrade has made a provision to reflect the estimated present value of this obligation where it is considered probable that the clauses in the leases will be enforced by landlords. It is Austrade’s experience that this only applies to a minority of leases.
Australian Trade and Investment Commission  
Notes to and forming part of the financial statements

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result, which Austrade does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1. Administered – Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Note 4.1A: Trade and Other Receivables**

**Other receivables**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>127</td>
<td>198</td>
</tr>
</tbody>
</table>

Total other receivables 127 198

Total trade and other receivables (gross) 127 198

Less impairment allowance - -

Total trade and other receivables (net) 127 198

Other receivables are with entities external to the Australian Government. Credit terms were within 30 days (2016: 30 days).

Reconciliation of the Impairment Allowance

**Movements in relation to 2017**

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2016</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total as at 30 June 2017</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Movements in relation to 2016**

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2015</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(84)</td>
<td>(84)</td>
</tr>
<tr>
<td>Total as at 30 June 2016</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### 4.2. Administered – Payables

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.2A: Suppliers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accruals</td>
<td>322</td>
<td>194</td>
</tr>
<tr>
<td>Other creditors</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total suppliers</strong></td>
<td>324</td>
<td>197</td>
</tr>
</tbody>
</table>

**Note 4.2B: Grants**

<table>
<thead>
<tr>
<th>Private sector:</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABE Plan grants payable</td>
<td>15</td>
<td>240</td>
</tr>
<tr>
<td>ATMC grants payable</td>
<td>439</td>
<td>-</td>
</tr>
<tr>
<td>FTA-TP grants payable</td>
<td>914</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td>1,368</td>
<td>240</td>
</tr>
</tbody>
</table>

**Note 4.2C: Other Payables**

| Salaries and wages | 38 | 18 |
| **Total other payables** | 38 | 18 |

### 4.3. Administered – Other Provisions

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.3A: Grants Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for EMDG grants</td>
<td>16,327</td>
<td>8,523</td>
</tr>
<tr>
<td><strong>Total grants provisions</strong></td>
<td>16,327</td>
<td>8,523</td>
</tr>
</tbody>
</table>

| Provision for | 2017 $'000 | 2016 $'000 |
| grants | Total |
|--------|--------|--------|
| $'000 | $'000 | $'000 |
| As at 1 July 2016 | 8,523 | 8,523 |
| Amounts used | 15,903 | 15,903 |
| Amounts reversed | (7,522) | (7,522) |
| Other movements | (577) | (577) |
| **Total as at 30 June 2017** | 16,327 | 16,327 |

### Accounting Judgements and Estimates

The liability for grants lodged and payable under the EMDG Scheme but not yet determined has been estimated by reference to payment histories in previous years.

The liability for grant appeals lodged under the EMDG Scheme but not yet finalised has been estimated by reference to successful appeals histories in previous years.
5. Funding

This section identifies Austrade’s funding structure.

5.1. Appropriations

Note 5.1A: Annual Appropriations (‘ Recoverable GST exclusive’)

<table>
<thead>
<tr>
<th></th>
<th>Annual Appropriation 1</th>
<th>Adjustments to appropriations 2</th>
<th>Total appropriation 3</th>
<th>Appropriation applied in 2017 (current and prior years) 4</th>
<th>Variance 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Departmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>201,694</td>
<td>29,358</td>
<td>231,052</td>
<td>218,953</td>
<td>12,099</td>
</tr>
<tr>
<td>Capital Budget 3</td>
<td>14,526</td>
<td>-</td>
<td>14,526</td>
<td>15,162</td>
<td>636</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injections</td>
<td>1,595</td>
<td>-</td>
<td>1,595</td>
<td>1,234</td>
<td>361</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total departmental</td>
<td>217,815</td>
<td>29,358</td>
<td>247,173</td>
<td>235,349</td>
<td>11,824</td>
</tr>
<tr>
<td>Administered items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>140,714</td>
<td>-</td>
<td>140,714</td>
<td>139,249</td>
<td>1,465</td>
</tr>
<tr>
<td>Administered items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>140,714</td>
<td>-</td>
<td>140,714</td>
<td>139,249</td>
<td>1,465</td>
</tr>
<tr>
<td>Total administered</td>
<td>140,714</td>
<td>-</td>
<td>140,714</td>
<td>139,249</td>
<td>1,465</td>
</tr>
</tbody>
</table>

1. In 2016-17, there were no appropriations withheld under section 51 of the PGPA Act or quarantined.
2. PGPA Act Section 74 receipts were $29.358m.
3. In 2016-17, the Departmental variance was mainly attributed to supplementation received for cash payments made in prior years or to be made in subsequent years.
4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
### Note 5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

#### Annual Appropriations for 2016

<table>
<thead>
<tr>
<th></th>
<th>Annual Appropriation&lt;sup&gt;1&lt;/sup&gt; $'000</th>
<th>Adjustments to appropriations&lt;sup&gt;2&lt;/sup&gt; $'000</th>
<th>Total appropriation $'000</th>
<th>Appropriation applied in 2017 (current and prior years) $'000</th>
<th>Variance&lt;sup&gt;3&lt;/sup&gt; $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Departmental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>217,361</td>
<td>27,999</td>
<td>245,360</td>
<td>244,457</td>
<td>903</td>
</tr>
<tr>
<td>Capital Budget&lt;sup&gt;3&lt;/sup&gt;</td>
<td>14,160</td>
<td>-</td>
<td>14,160</td>
<td>12,955</td>
<td>1,205</td>
</tr>
<tr>
<td>Other services</td>
<td>2,718</td>
<td>-</td>
<td>2,718</td>
<td>7</td>
<td>2,711</td>
</tr>
<tr>
<td><strong>Total departmental</strong></td>
<td>234,239</td>
<td>27,999</td>
<td>262,238</td>
<td>257,419</td>
<td>4,819</td>
</tr>
<tr>
<td><strong>Administered</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>145,277</td>
<td>-</td>
<td>145,277</td>
<td>140,145</td>
<td>5,132</td>
</tr>
<tr>
<td>Administered items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total administered</strong></td>
<td>145,277</td>
<td>-</td>
<td>145,277</td>
<td>140,145</td>
<td>5,132</td>
</tr>
</tbody>
</table>

1. In 2015-16, there were no appropriations withheld under section 51 of the PGPA Act. Funding of $1.5 million was quarantined from Departmental ordinary annual appropriation due to a savings decision by the Cabinet.

2. PGPA Act Section 74 receipts were $27,999m

3. The Departmental equity variance of $2.7 million was mainly attributed to delays in the relocations of chancelleries in high-risk offshore locations due to reasons outside of Austrade’s control. The Administered variance of $5.1 million was mainly attributed to the reclassification of the Tasmanian Regional Tourism Package as a National Partnership payment during 2015-16. Funding of $4.4 million was quarantined and transferred to the Department of Treasury.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Departmental</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2015-16</td>
<td>-</td>
<td>21,661</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2015-16 - Capital Budget (DCB)</td>
<td>-</td>
<td>8,292</td>
</tr>
<tr>
<td>Appropriation Act (No. 2) 2015-16</td>
<td>1,485</td>
<td>2,711</td>
</tr>
<tr>
<td>Appropriation Act (No. 3) 2015-16</td>
<td>-</td>
<td>10,306</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2016-17</td>
<td>42,556</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2016-17 - Capital Budget (DCB)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation Act (No. 2) 2016-17</td>
<td>1,047</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation Act (No. 3) 2016-17</td>
<td>4,354</td>
<td>-</td>
</tr>
<tr>
<td>Supply Act (No. 1) 2016-17</td>
<td>4,048</td>
<td>-</td>
</tr>
<tr>
<td>Supply Act (No. 2) 2016-17</td>
<td>540</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total departmental</strong></td>
<td>54,030</td>
<td>42,970</td>
</tr>
<tr>
<td><strong>Administered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2015-16</td>
<td>-</td>
<td>2,614</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2016-17</td>
<td>3,879</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered</strong></td>
<td>3,879</td>
<td>2,614</td>
</tr>
</tbody>
</table>
Australian Trade and Investment Commission
Notes to and forming part of the financial statements

5.2. Special Accounts

<table>
<thead>
<tr>
<th></th>
<th>Administered Payments and Receipts for Other Entities¹</th>
<th>Services for Other Entities and Trust Moneys²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 $'000</td>
<td>2016 $'000</td>
</tr>
<tr>
<td>Balance brought forward from previous period</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Increases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,289</td>
<td>11,203</td>
</tr>
<tr>
<td>Total increases</td>
<td>1,389</td>
<td>11,203</td>
</tr>
<tr>
<td>Available for payments</td>
<td>1,389</td>
<td>11,303</td>
</tr>
<tr>
<td>Decreases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total departmental</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made</td>
<td>(1,389)</td>
<td>(11,203)</td>
</tr>
<tr>
<td>Balance returned to the Official Public Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total administered</td>
<td>(1,389)</td>
<td>(11,203)</td>
</tr>
<tr>
<td>Total decreases</td>
<td>(1,389)</td>
<td>(11,203)</td>
</tr>
<tr>
<td>Total balance carried to the next period</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Balance represented by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash held in entity bank accounts</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Cash held in the Official Public Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total balance carried to the next period</td>
<td>-</td>
<td>100</td>
</tr>
</tbody>
</table>

   Purpose: To make payments overseas on behalf of other entities, and to make payments to other entities for amounts received overseas on their behalf.
   Date of ceasing (sunsetting): 1 October 2016

   Purpose: To disburse amounts temporarily held on trust, and to disburse amounts in connection with services performed on behalf of other entities.
   Date of ceasing (sunsetting): 1 October 2018

The above determinations that were originally made under subsection 20(1) of the Financial Management and Accountability Act 1997 are taken from 1 July 2014 to have been made under subsection 78(1) of the Public Governance, Performance and Accountability Act 2013.
Australian Trade and Investment Commission  
Notes to and forming part of the financial statements

6. People and Relationships
This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1. Employee Provisions

<table>
<thead>
<tr>
<th>Note 6.1A: Employee Provisions</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>25,665</td>
<td>25,906</td>
</tr>
<tr>
<td>Separations and redundancies</td>
<td>9,017</td>
<td>9,819</td>
</tr>
<tr>
<td>Total employee provisions</td>
<td>34,682</td>
<td>35,725</td>
</tr>
</tbody>
</table>

Note 6.1B: Administered - Employee Provisions

<table>
<thead>
<tr>
<th>Note 6.1B: Administered - Employee Provisions</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>2,256</td>
<td>2,382</td>
</tr>
<tr>
<td>Total employee provisions</td>
<td>2,256</td>
<td>2,382</td>
</tr>
</tbody>
</table>

Accounting Policy
Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

*Leave*
The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will be applied at the time the leave is taken, including Austrade’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2017. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

*Separation and Redundancy*
Provision is made for separation and redundancy benefit payments. Austrade recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

For employees engaged overseas, liabilities for separation entitlements are calculated in accordance with local employment conditions.

*Superannuation*
Australian-based staff of Austrade are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance’s administered schedules and notes.

Austrade makes employer contributions to the employees’ defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. Austrade accounts for the contributions as if they were contributions to defined contribution plans.

For employees engaged overseas, Austrade pays employer contributions to meet its superannuation obligations, which vary according to local employment conditions.

The liability for superannuation recognised as at 30 June represents outstanding contributions.
Australian Trade and Investment Commission
Notes to and forming part of the financial statements

6.2. Key Management Personnel Remuneration

<table>
<thead>
<tr>
<th>2017</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>2,277</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>261</td>
</tr>
<tr>
<td>Other long-term benefits</td>
<td>1,136</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>124</td>
</tr>
<tr>
<td><strong>Total key management personnel remuneration expenses¹</strong></td>
<td><strong>3,798</strong></td>
</tr>
</tbody>
</table>

The total number of key management personnel that are included in the above table are 13 (2016: disclosure not required).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

6.3. Related Party Transactions

Related party relationships:
Austrade is an Australian Government controlled entity. Key Management Personnel include the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:
Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:
- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by Austrade, it has been determined from obtaining disclosures of Related Parties from KMPs and cross-checks for transactions within Austrade's financial systems that there are no related party transactions to be separately disclosed.
### 7. Managing Uncertainties
This section analyses how Austrade manages financial risks within its operating environment.

#### 7.1. Contingent Assets and Liabilities

**Note 7.1A: Contingent Liabilities and Assets**

<table>
<thead>
<tr>
<th>Claims for damages or costs</th>
<th>2017</th>
<th>2016</th>
<th>Total 2017</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New contingent liabilities recognised</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Re-measurement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities realised</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Obligations expired</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total contingent liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Quantifiable Contingencies**

**Significant Remote Contingencies**
Austrade has provided bank guarantees for a total of $0.549 million (2016: $0.552 million) in relation to property leases. These were not included in the above table.

**Accounting Policy**
Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**Note 7.1B: Administered Contingent Assets and Liabilities**

<table>
<thead>
<tr>
<th>Claims for damages or costs</th>
<th>2017</th>
<th>2016</th>
<th>Total 2017</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>(2,846)</td>
<td>(1,234)</td>
<td>(2,846)</td>
<td>(1,234)</td>
</tr>
<tr>
<td>New contingent liabilities recognised</td>
<td>(2,826)</td>
<td>(2,779)</td>
<td>(2,826)</td>
<td>(2,779)</td>
</tr>
<tr>
<td>Re-measurement</td>
<td>304</td>
<td>(136)</td>
<td>304</td>
<td>(136)</td>
</tr>
<tr>
<td>Liabilities realised</td>
<td>919</td>
<td>621</td>
<td>919</td>
<td>621</td>
</tr>
<tr>
<td>Obligations expired</td>
<td>1,732</td>
<td>682</td>
<td>1,732</td>
<td>682</td>
</tr>
<tr>
<td><strong>Total contingent liabilities</strong></td>
<td>(2,717)</td>
<td>(2,846)</td>
<td>(2,717)</td>
<td>(2,846)</td>
</tr>
<tr>
<td><strong>Net contingent assets/(liabilities)</strong></td>
<td>(2,717)</td>
<td>(2,846)</td>
<td>(2,717)</td>
<td>(2,846)</td>
</tr>
</tbody>
</table>
7.2. Fair Value Measurement

Accounting Policy
Austrade deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period, by re-assessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole.

Note 7.2A: Fair Value Measurement

<table>
<thead>
<tr>
<th></th>
<th>Fair value measurements at the end of the reporting period</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 $’000</td>
<td>2016 $’000</td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>15,420</td>
<td>16,539</td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>9,464</td>
<td>14,214</td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>24,884</td>
<td>30,753</td>
<td></td>
</tr>
<tr>
<td>Total fair value measurements of assets in the Statement of Financial Position</td>
<td>24,884</td>
<td>30,753</td>
<td></td>
</tr>
</tbody>
</table>

1. The highest and best use of all non-financial assets are the same as their current use.
2. Comprises IT assets, motor vehicles and furniture and fittings.

Accounting Judgements and Estimates
The fair value of leasehold improvements has been taken to be the depreciated replacement cost as determined by an independent valuer by reference to the gross replacement cost.

The fair value of plant and equipment has been determined by reference to the market value of similar assets.

8. Other Information
8.1. Assets Held in Trust

Monetary assets
Austrade had no assets held in trust in either the current or the prior reporting period.
<table>
<thead>
<tr>
<th>Appendix</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Austrade and TradeStart locations in Australia, and TradeStart partners</td>
<td>210</td>
</tr>
<tr>
<td>B</td>
<td>Austrade’s Service Charter</td>
<td>212</td>
</tr>
<tr>
<td>C</td>
<td>Work health and safety</td>
<td>214</td>
</tr>
<tr>
<td>D</td>
<td>Financial and staffing resources</td>
<td>216</td>
</tr>
<tr>
<td>E</td>
<td>Ecologically sustainable development and environmental performance</td>
<td>219</td>
</tr>
<tr>
<td>F</td>
<td>Advertising and market research</td>
<td>222</td>
</tr>
<tr>
<td>G</td>
<td>List of requirements</td>
<td>228</td>
</tr>
</tbody>
</table>
Appendix A

Austrade and TradeStart locations in Australia, and TradeStart partners

Figure A1: Austrade’s national network, including TradeStart, at 30 June 2017

[Map showing Austrade and TradeStart locations in Australia]
<table>
<thead>
<tr>
<th>Office location</th>
<th>Partner name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New South Wales and ACT</strong></td>
<td></td>
</tr>
<tr>
<td>Miranda</td>
<td>NSW Business Chamber</td>
</tr>
<tr>
<td>Port Macquarie</td>
<td>NSW Trade and Investment(^{(a)})</td>
</tr>
<tr>
<td>Gosford</td>
<td>NSW Trade and Investment</td>
</tr>
<tr>
<td>Nowra</td>
<td>NSW Trade and Investment</td>
</tr>
<tr>
<td>Wagga Wagga</td>
<td>NSW Trade and Investment</td>
</tr>
<tr>
<td>Orange</td>
<td>NSW Trade and Investment</td>
</tr>
<tr>
<td>Tamworth</td>
<td>NSW Trade and Investment</td>
</tr>
<tr>
<td>Canberra</td>
<td>Canberra Business Chamber</td>
</tr>
<tr>
<td><strong>Victoria</strong></td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Albury–Wodonga</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Geelong</td>
<td>Regional Development Victoria</td>
</tr>
<tr>
<td><strong>Queensland</strong></td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>Gold Coast City Council</td>
</tr>
<tr>
<td>Rockhampton</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Mackay</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Cairns</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Townsville</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Sunshine Coast</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Bundaberg</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Toowoomba</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td><strong>Western Australia</strong></td>
<td></td>
</tr>
<tr>
<td>Bunbury</td>
<td>South West Development Commission</td>
</tr>
<tr>
<td>Perth</td>
<td>Chamber of Commerce and Industry WA</td>
</tr>
<tr>
<td><strong>South Australia</strong></td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Mt Gambier</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Tanunda(^{(b)})</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Riverland</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td><strong>Tasmania</strong></td>
<td></td>
</tr>
<tr>
<td>Hobart</td>
<td>Tasmanian Chamber of Commerce and Industry</td>
</tr>
<tr>
<td><strong>Northern Territory</strong></td>
<td></td>
</tr>
<tr>
<td>Darwin</td>
<td>Chamber of Commerce NT</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Due to structural changes within the NSW Government, the TradeStart partner changed from NSW Department of Premier and Cabinet to NSW Trade and Investment in 2016–17.

\(^{(b)}\) The Port Augusta office moved to Tanunda in 2016–17, following a request from the partner organisation.
Appendix B

Austrade’s Service Charter

Austrade’s Service Charter sets out the level of service you can expect from Austrade.

Our service values

Austrade will endeavour to:
› provide information and insight based on our experience and networks in Australia and around the world
› be professional when assisting your organisation
› be flexible and responsive to meet your particular business needs.

Our service standards for Australian exporters and education providers
› We will clearly explain our service offerings as they apply to your business needs.
› We will explain any fees associated with our services and provide you with a written quote before commencing work on your behalf.
› If you contact us, we will respond within two working days of receiving your enquiry. If your enquiry is complex and we cannot respond immediately, we will inform you of our progress and work towards an agreed set of goals and deadlines.
› We will maintain your confidentiality in accordance with the Australian Government’s legal and regulatory requirements, as well as government policies regarding the disclosure of information to Parliament and the Australian Government.
› We will endeavour to connect your organisation with high-potential international business opportunities.
› We will provide you with clear information about Austrade’s Export Market Development Grants (EMDG) scheme, and will provide advice regarding your eligibility and the application and assessment process. We will process your application promptly and efficiently in accordance with the EMDG legislation.
› If Austrade is unable to assist with your request, we will endeavour to refer you to appropriate service providers that may be better able to address your enquiry.

In line with Australia’s anti-bribery laws, we will not provide business-related services to any party that we are aware has breached laws prohibiting bribery and related behaviour. We will also report credible evidence of any breach to the relevant authorities.

Our service standards for international organisations seeking to invest in Australia or buy products or services from Australia
› We will endeavour to introduce you to Australian business connections that can help you achieve your goals.
› We will clearly explain the opportunities and sources of assistance that may be available to you within Austrade and from other organisations.
› If you contact us, we will respond within two working days of receiving your enquiry. If your enquiry is complex and we cannot respond immediately, we will inform you of our progress and work towards an agreed set of goals and deadlines.
We will maintain your confidentiality in accordance with the Australian Government’s legal and regulatory requirements, as well as government policies regarding the disclosure of information to Parliament and the Australian Government.

To assist you with your business needs, Austrade may provide your information to other Australian Government departments and Australian state and territory governments.

If Austrade is unable to assist with your request, we will endeavour to refer you to appropriate service providers that may be better able to address your enquiry.

In line with Australia’s anti-bribery laws, we will not provide business-related services to any party that we are aware has breached laws prohibiting bribery and related behaviour. We will also report credible evidence of any breach to the relevant authorities.

**Austrade’s multicultural plan**

Under the Australian Government’s multicultural access and equity policy, government programs and services should be accessible by all eligible Australians, respond to their needs, and deliver equitable outcomes for them regardless of their cultural or linguistic background.

Austrade is committed to ensuring Australia’s culturally and linguistically diverse exporters are aware of our services and programs, and have the potential to access our services.

Our plan for implementing this vision is available on the Austrade website, austrade.gov.au.

**Measuring our performance**

From time to time, Austrade may seek your feedback directly or through a satisfaction survey. Your feedback helps us to improve our service delivery in Australia and overseas, and to identify issues that are important to you.

We welcome your feedback at all times. Simply call us, write to us or send us an email. If you have a problem you need resolved, please raise it directly with an Austrade staff member or write to the Austrade Services Manager.

If at any stage you are dissatisfied with how we are handling or have handled a complaint, you may contact an office of the Commonwealth Ombudsman and/or the Privacy Commissioner.
Appendix C

Work health and safety

In accordance with Schedule 2, Part 4 of the Work Health and Safety Act 2011 (WHS Act), Austrade is required to report on the following items:

› initiatives taken during the year to ensure the health, safety and welfare at work of workers who carry out work for the entity
› health and safety outcomes (including the impact on injury rates of workers) achieved as a result of the initiatives taken during the year or previous initiatives
› statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of undertakings by the entity
› any investigations conducted during the year that relate to businesses or undertakings, including details of all notices given to the entity during the year under Part 10 of the WHS Act
› such other matters required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

Austrade strives to provide and maintain a healthy and safe working environment for its employees and others visiting Austrade locations or events. Information is available to support staff through Austrade’s Workplace and Employment Relations team, international human resources managers, and through the Austrade intranet. Specific initiatives and programs delivered during 2016–17 to promote the physical and mental wellbeing of employees included:

› full revision of work health and safety (WHS) policies and procedures to ensure they are easily read and understood
› external audit of WHS management systems and rehabilitation management systems, with 96 per cent and 100 per cent compliance achieved respectively
› inclusion of a WHS presentation in Austrade induction programs, establishing duties and expectations from the start of employment
› revision of the WHS online training module to incorporate both physical and mental wellbeing in the workplace
› transition to electronic WHS tools and forms to streamline the reporting processes of WHS incidents and hazards, and provide a central repository for WHS data, further increasing compliance
› provision of voluntary free health checks and influenza vaccinations for all onshore staff
› offshore visits by Austrade’s Senior Human Resources Adviser, WHS, to gain knowledge of local working environments and conduct WHS training on hazards and risk identification, and duties for local staff
› delivery of a global WHS forum for offshore staff, providing updates on relevant WHS matters from around the globe, and a brainstorming session to talk about country-specific WHS issues.

Austrade maintains a positive reporting culture for workplace incidents and hazard identification. During 2016–17, there were 47 workplace incidents reported across Austrade’s network (Figure C1). This is a reduction of 27 per cent on the previous year. Of these incidents, three required compensation scheme support.
This support was primarily for the payment of medical interventions to enable safe and ongoing return-to-work outcomes for the employees. Workplace injuries compensated under the Comcare scheme accounted for 310 work days during 2016–17.

The WHS Act requires Austrade to report all notifiable incidents to Comcare.

Table C1 provides an overview of workplace incidents notified under the health and safety legislation for the past four financial years. There were no Comcare notifiable incidents in the 2016–17 reporting period.

During 2016–17, Austrade senior managers conducted 47 WHS inspections globally. Biannual workplace hazard identification inspections were also conducted at every office by Austrade health and safety representatives and office managers. Austrade’s Senior Human Resources Adviser, WHS, conducted WHS audits of Austrade’s offices in Melbourne, Canberra, Seoul, Nanjing, Shanghai, Hanoi and Ho Chi Minh City, with the Shanghai Landing Pad also inspected. The inspections and audits were conducted to assess compliance with Austrade’s WHS management system and due diligence framework for officers, and to identify areas for improvement.

During the year, Austrade’s rehabilitation management system was independently audited and achieved full compliance. In addition, Austrade’s WHS management system was also independently audited and achieved 96 per cent compliance.

Table C1: Workplace incidents notified by Austrade under work health and safety legislation, 2013–14 to 2016–17

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notifications</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Incidents investigated by Comcare</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
## Financial and staffing resources

### Table D1: Agency resource statement, 2016–17

<table>
<thead>
<tr>
<th>Ordinary annual services&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>Actual available appropriation for 2016–17 $’000 (A)</th>
<th>Payments made 2016–17 $’000 (B)</th>
<th>Balance remaining 2016–17 $’000 (A–B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental appropriation&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior-year departmental appropriation</td>
<td>45,133</td>
<td>39,734</td>
<td>5,399</td>
</tr>
<tr>
<td>Departmental appropriation</td>
<td>216,220</td>
<td>165,262</td>
<td>50,958</td>
</tr>
<tr>
<td>Section 74 retained revenue receipts</td>
<td>29,358</td>
<td>29,358</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>290,711</strong></td>
<td><strong>234,354</strong></td>
<td><strong>56,357</strong></td>
</tr>
<tr>
<td>Administered expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome 1</td>
<td>143,328</td>
<td>139,449</td>
<td>3,879</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>143,328</strong></td>
<td><strong>139,449</strong></td>
<td><strong>3,879</strong></td>
</tr>
<tr>
<td><strong>Total ordinary annual services (A)</strong></td>
<td><strong>434,039</strong></td>
<td><strong>373,803</strong></td>
<td><strong>60,236</strong></td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental non-operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injections&lt;sup&gt;(c)&lt;/sup&gt;</td>
<td>4,306</td>
<td>1,234</td>
<td>3,072</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,306</strong></td>
<td><strong>1,234</strong></td>
<td><strong>3,072</strong></td>
</tr>
<tr>
<td><strong>Total other services (B)</strong></td>
<td><strong>4,306</strong></td>
<td><strong>1,234</strong></td>
<td><strong>3,072</strong></td>
</tr>
<tr>
<td><strong>Total available annual appropriations and payments</strong></td>
<td><strong>438,345</strong></td>
<td><strong>375,037</strong></td>
<td><strong>63,308</strong></td>
</tr>
<tr>
<td><strong>Total resourcing and payments (A+B)</strong></td>
<td><strong>438,345</strong></td>
<td><strong>375,037</strong></td>
<td><strong>63,308</strong></td>
</tr>
<tr>
<td><strong>Total net resourcing and payments for Austrade</strong></td>
<td><strong>438,345</strong></td>
<td><strong>375,037</strong></td>
<td><strong>63,308</strong></td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Appropriation Act (No. 1) 2016–2017, Supply Act (No. 1) 2016–2017 and Appropriation Act (No. 3) 2016–2017. This also includes prior-year departmental appropriation and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.

<sup>(b)</sup> Includes an amount of $14.5 million in 2016–17 for the departmental capital budget. For accounting purposes, this amount has been designated as ‘contributions by owners’.

<sup>(c)</sup> Appropriation Act (No. 2) 2016–2017 and Supply Act (No. 2) 2016–2017. This may also include prior-year appropriation.
### Table D2: Expenses for outcomes, 2016–17

#### Expenses for Outcome 1

<table>
<thead>
<tr>
<th>Outcome 1: Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government</th>
<th>Budget(a) 2016–17 $’000</th>
<th>Actual expenses 2016–17 $’000</th>
<th>Variation 2016–17 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 1.1: Promotion of Australia’s export and other international economic interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Departmental expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental appropriation(b)</td>
<td>212,628</td>
<td>208,951</td>
<td>(3,677)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>19,000</td>
<td>17,799</td>
<td>(1,201)</td>
</tr>
<tr>
<td><strong>Total for Program 1.1</strong></td>
<td>231,628</td>
<td>226,750</td>
<td>(4,878)</td>
</tr>
<tr>
<td>Program 1.2: Programs to promote Australia’s exports and other international economic interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Administered expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
<td>140,714</td>
<td>148,274</td>
<td>7,560</td>
</tr>
<tr>
<td><strong>Total for Program 1.2</strong></td>
<td>140,714</td>
<td>148,274</td>
<td>7,560</td>
</tr>
<tr>
<td><strong>Outcome 1 totals by appropriation type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Administered expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
<td>140,714</td>
<td>148,274</td>
<td>7,560</td>
</tr>
<tr>
<td><strong>Departmental expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
<td>212,628</td>
<td>208,951</td>
<td>(3,677)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>19,000</td>
<td>17,799</td>
<td>(1,201)</td>
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<tr>
<td><strong>Total expenses for Outcome 1</strong></td>
<td>372,342</td>
<td>375,024</td>
<td>2,682</td>
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<tr>
<td><strong>Average staffing level (number)</strong></td>
<td>991</td>
<td>1,004</td>
<td>9</td>
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</tbody>
</table>

(a) Full-year budget, including any subsequent adjustment made to the 2016–17 Budget at Additional Estimates.

(b) Departmental appropriation combines ordinary annual services (Appropriation Act nos. 1, 3 and 5 and Supply Act No. 1) and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.
Table D2: Expenses for outcomes, 2016–17 (continued)

<table>
<thead>
<tr>
<th>Expenses for Outcome 2</th>
<th>Budget(^{(a)}) 2016–17 $'000</th>
<th>Actual expenses 2016–17 $'000</th>
<th>Variation 2016–17 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program 2.1: Consular and passport services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental appropriation(^{(b)})</td>
<td>13,218</td>
<td>11,887</td>
<td>(1,331)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>–</td>
<td>1,003</td>
<td>1,003</td>
</tr>
<tr>
<td>Total for Program 2.1</td>
<td>13,218</td>
<td>12,890</td>
<td>(328)</td>
</tr>
<tr>
<td>Outcome 2 totals by appropriation type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
<td>13,218</td>
<td>11,887</td>
<td>(1,331)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>–</td>
<td>1,003</td>
<td>1,003</td>
</tr>
<tr>
<td>Total expenses for Outcome 2</td>
<td>13,218</td>
<td>12,890</td>
<td>(328)</td>
</tr>
<tr>
<td>Average staffing level (number)</td>
<td>38</td>
<td>38</td>
<td>–</td>
</tr>
</tbody>
</table>

(a) Full-year budget, including any subsequent adjustment made to the 2016–17 Budget at Additional Estimates.
(b) Departmental appropriation combines ordinary annual services (Appropriation Act nos. 1, 3 and 5 and Supply Act No. 1) and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.
Appendix E

Ecologically sustainable development and environmental performance

This appendix summarises Austrade’s performance with respect to the requirements of section 516A of the Environment Protection and Biodiversity Conservation Act 1999.

Energy consumption

Austrade reported energy consumption in its Australian operations as required by the Energy Efficiency in Government Operations Policy. The Energy Use in the Australian Government’s Operations: 2007–08 report, released in December 2009, outlines the levels of energy usage and emissions for the Australian Government, at both whole-of-government and individual agency levels.

During 2016–17, Austrade’s energy consumption decreased on the previous year, with total electrical energy consumption (as a tenant) at 741,608 kilowatt hours, compared to 802,979 kilowatt hours in 2015–16. This represents a reduction of 317,102 kilowatt hours on the 2009–10 baseline data. The decrease in energy consumption as a tenant during 2016–17 was the result of a move to more energy-efficient information technology infrastructure.

Table E1 shows Austrade’s energy consumption for the last eight years, and the amount by which it has decreased from the 2009–10 baseline measurement.

Table E1: Austrade’s energy consumption, 2009–10 to 2016–17

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Total electrical energy consumption (kilowatt hours)(a)</th>
<th>Reduction of kilowatt hours from 2009–10 baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–10</td>
<td>1,058,710</td>
<td>–</td>
</tr>
<tr>
<td>2010–11</td>
<td>957,820</td>
<td>100,890</td>
</tr>
<tr>
<td>2011–12</td>
<td>943,675</td>
<td>115,035</td>
</tr>
<tr>
<td>2012–13</td>
<td>817,705</td>
<td>241,005</td>
</tr>
<tr>
<td>2013–14</td>
<td>775,732</td>
<td>282,978</td>
</tr>
<tr>
<td>2014–15</td>
<td>864,980</td>
<td>193,730</td>
</tr>
<tr>
<td>2015–16</td>
<td>802,979</td>
<td>255,731</td>
</tr>
<tr>
<td>2016–17</td>
<td>741,608</td>
<td>317,102</td>
</tr>
</tbody>
</table>

(a) Excludes computer centre usage.

Note: Due to availability of data, figures provided for the years 2012–13 to 2014–15 were based on 1 March to 28–29 February date ranges, whereas figures for other years are based on the standard financial year date range of 1 July to 30 June. As such, the figures provide an indicative comparison only.
**Videoconferencing**

Austrade’s global videoconferencing facilities provide significant energy efficiencies through reduced travel for Austrade staff, and for staff of other government agencies who are authorised to use the facilities. During 2016–17, Austrade refreshed its entire videoconference infrastructure, which included replacing all back-end infrastructure and videoconferencing units with newer technology.

From 1 November 2016 to 30 June 2017, Austrade supported a total of 24,850 video calls, representing approximately 20,000 hours of video calls, and 33,000 hours of voice calls.37 Austrade has 109 room-based videoconference end points and approximately 560 individual users of mobile videoconference facilities, accessed from desktop or mobile devices.

**Waste**

Austrade continued to manage and review approaches for minimising its environmental impact through established practices across its offices in Australia and overseas. These practices included reducing waste by establishing recycling systems for a range of office supplies, consumables and general waste from workspaces and staff kitchens.

**Water**

Water consumption is difficult for Austrade to measure on a broad scale as most of its tenancies are not separately metered for water consumption. Austrade’s facility and property managers continue to work with building owners, where possible, to improve water consumption and introduce water-saving measures, such as waterless urinals, dual-flush toilets and flow restrictors on taps.

**Earth Hour**

Austrade provided staff with advice on how they could participate in Earth Hour 2017, both personally and through office activity, and coordinated the participation of Austrade offices across Australia and overseas. Where practicable, six national and 28 international Austrade offices switched off lights, printers and photocopiers for the weekend of 25–26 March 2017.

**Principles of ecologically sustainable development**

Austrade operates under the Australian Trade and Investment Commission Act 1985 and administers the Export Market Development Grants scheme pursuant to the Export Market Development Grants Act 1997. While neither Act makes specific reference to ecologically sustainable development or sustainability principles, Austrade continues to adhere to government policy and ministerial directives on sustainability. Table E2 provides seven-year trend information on Austrade’s energy efficiency performance.

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37 As Austrade’s videoconference infrastructure was replaced during 2016–17, full financial year data are not available.
### Table E2: Energy efficiency performance, 2010–11 to 2016–17

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total consumption of energy—includes all energy consumed when undertaking the functions of the agency, such as energy consumed for office buildings and transportation</td>
<td>Amount of electricity consumed (kWh)&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>2,293,430</td>
<td>2,199,260</td>
<td>2,121,797</td>
<td>2,129,455</td>
<td>1,655,767</td>
<td>1,468,121</td>
<td>1,333,728</td>
</tr>
<tr>
<td></td>
<td>Amount of gas consumed</td>
<td>Not available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount of other fuels consumed (litres of petrol)&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>5,048</td>
<td>8,217</td>
<td>6,820</td>
<td>8,688</td>
<td>5,171</td>
<td>5,196</td>
<td>2,002</td>
</tr>
<tr>
<td>Total consumption of green energy—includes the purchase of energy from sustainable sources</td>
<td>Amount of green energy consumed (kWh)</td>
<td>128,150</td>
<td>119,571</td>
<td>114,620</td>
<td>121,329</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Proportion of green energy in total energy consumption</td>
<td>Green energy purchased for 10 per cent of Canberra computer centre usage each year from 2009–10 to 2013–14; computer centres located off site from 2014–15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount of total energy consumed per employee</td>
<td>Not available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

kWh = kilowatt hours

(a) Includes energy consumption for computer centres.

(b) Estimate based on calculating kilometres travelled multiplied by fuel consumption rating.

Note: Due to availability of data, figures provided for the years 2012–13 to 2014–15 were based on 1 March to 28–29 February date ranges, whereas figures for other years are based on the standard financial year date range of 1 July to 30 June. As such, the figures provide an indicative comparison only.

Due to Austrade being a tenant, some of the performance indicators listed on environment.gov.au/esd in relation to waste and water are not directly measured, so they have not been included in the table. Austrade works with building managers to ensure environmental initiatives are in place where possible. Austrade recycles waste paper, and encourages the use of recycled paper.
Appendix F

Advertising and market research

As required under section 311A of the Commonwealth Electoral Act 1918, this appendix includes particulars of payments made by Austrade during 2016–17 of more than $13,000 (inclusive of GST) for advertising and market research.

Table F1 shows total advertising and market research expenditure for the year. Tables F2, F3 and F4 show individual payments in each category that were more than the $13,000 threshold. All amounts are reported at budget exchange rates and some totals may not add up due to rounding. During 2016–17, Austrade did not conduct any advertising campaigns.

Table F1: Total advertising and market expenditure by category, 2016–17

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising agencies</td>
<td>4,818.98</td>
</tr>
<tr>
<td>Market research organisations</td>
<td>7,853,118.68</td>
</tr>
<tr>
<td>Polling organisations</td>
<td>Nil</td>
</tr>
<tr>
<td>Direct mail organisations</td>
<td>95,639.75</td>
</tr>
<tr>
<td>Media advertising organisations</td>
<td>538,986.48</td>
</tr>
<tr>
<td>Total</td>
<td>8,492,563.89</td>
</tr>
</tbody>
</table>

Table F2: Individual payments of more than $13,000 to market research organisations, 2016–17

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMR Interactive</td>
<td>Country reputation track research for G8 countries</td>
<td>22,000.00</td>
</tr>
<tr>
<td>We Are Social (payment 1)</td>
<td>Influencer research</td>
<td>38,390.00</td>
</tr>
<tr>
<td>We Are Social (payment 2)</td>
<td>Influencer research</td>
<td>32,890.00</td>
</tr>
<tr>
<td>Kreab Gavin Anderson Ltd (payment 1)</td>
<td>Benefits of Foreign Direct Investment communications toolkit</td>
<td>16,500.00</td>
</tr>
<tr>
<td>Kreab Gavin Anderson Ltd (payment 2)</td>
<td>Benefits of Foreign Direct Investment communications toolkit</td>
<td>25,000.00</td>
</tr>
<tr>
<td>CSIRO</td>
<td>Desktop research data analytics</td>
<td>15,372.50</td>
</tr>
<tr>
<td>Deloitte Touche Tohmatsu</td>
<td>Benchmarking and comparative review of corporate functions in Austrade</td>
<td>66,000.00</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>Australian Public Service Employee Census 2017</td>
<td>23,100.00</td>
</tr>
<tr>
<td>Roy Morgan Research Pty Ltd</td>
<td>Phone ownership data for National Visitor Survey</td>
<td>35,829.20</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd</td>
<td>Future Unlimited reports of international competitor analysis and perceptions of Australia</td>
<td>20,212.50</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Department of Foreign Affairs and Trade</td>
<td>Co-funding of Australian Bureau of Statistics foreign affiliates study</td>
<td>171,073.32</td>
</tr>
<tr>
<td>Ernst &amp; Young</td>
<td>Consortium opportunities and pathways for Australian SMEs delivering education and training services</td>
<td>18,975.00</td>
</tr>
<tr>
<td>Amplitude Pty Ltd</td>
<td>Indonesia e-commerce report</td>
<td>16,500.00</td>
</tr>
<tr>
<td>CBRE (GCS) Pty Ltd (payment 1)</td>
<td>Luxury lodge research</td>
<td>15,000.00</td>
</tr>
<tr>
<td>CBRE (GCS) Pty Ltd (payment 2)</td>
<td>Luxury lodge research</td>
<td>20,000.00</td>
</tr>
<tr>
<td>CBRE (GCS) Pty Ltd (payment 3)</td>
<td>Luxury lodge research</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd (payment 1)</td>
<td>Destination Visitor Survey program Victoria and Queensland 2015–16—research into visiting friends and relatives market</td>
<td>74,683.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd (payment 2)</td>
<td>Destination Visitor Survey program Victoria and Queensland 2015–16—research into visiting friends and relatives market</td>
<td>29,442.50</td>
</tr>
<tr>
<td>Metrix Consulting Pty Ltd</td>
<td>Destination Visitor Survey program Western Australia 2015–16—regional airports project</td>
<td>18,612.00</td>
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<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 1)</td>
<td>Destination Visitor Survey program Northern Territory, South Australia and Tasmania 2015–16—research into free and independent travellers from mainland China</td>
<td>41,734.00</td>
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<td>Taylor Nelson Sofres Australia Pty Ltd (payment 2)</td>
<td>Destination Visitor Survey program Northern Territory, South Australia and Tasmania 2015–16—research into free and independent travellers from mainland China</td>
<td>15,079.90</td>
</tr>
<tr>
<td>Australian Regional Tourism Network</td>
<td>Research project—determine the level of support for tourism provided by local government</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd</td>
<td>Strategic research on the Chinese free and independent traveller market out to 2026</td>
<td>77,000.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd</td>
<td>International tourism benchmarking study</td>
<td>17,818.39</td>
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<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 1)</td>
<td><em>Future Unlimited</em> brand research</td>
<td>53,625.00</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 2)</td>
<td><em>Future Unlimited</em> brand research</td>
<td>35,750.00</td>
</tr>
<tr>
<td>Jones Lang LaSalle (NSW) Pty Ltd</td>
<td>Analysis of redevelopment opportunities in northern Australia</td>
<td>35,887.50</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 1)</td>
<td>Service Improvement Study 2015–16</td>
<td>14,300.00</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
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<td>-------------</td>
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<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 2)</td>
<td>Service Improvement Study 2015–16</td>
<td>14,300.00</td>
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<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 1)</td>
<td>Service Improvement Study 2016–17</td>
<td>14,960.00</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 2)</td>
<td>Service Improvement Study 2016–17</td>
<td>14,960.00</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 3)</td>
<td>Service Improvement Study 2016–17</td>
<td>14,960.00</td>
</tr>
<tr>
<td>MyTravelResearch.com (payment 1)</td>
<td>Destination Visitor Survey program—Victoria and Queensland—accessibility market</td>
<td>20,000.00</td>
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<tr>
<td>MyTravelResearch.com (payment 2)</td>
<td>Destination Visitor Survey program—Victoria and Queensland—accessibility market</td>
<td>30,000.00</td>
</tr>
<tr>
<td>MyTravelResearch.com (payment 3)</td>
<td>Destination Visitor Survey program—Victoria and Queensland—accessibility market</td>
<td>30,000.00</td>
</tr>
<tr>
<td>MyTravelResearch.com (payment 1)</td>
<td>Destination Visitor Survey program—Western Australia and South Australia—repeat visitation</td>
<td>40,000.00</td>
</tr>
<tr>
<td>MyTravelResearch.com (payment 2)</td>
<td>Destination Visitor Survey program—Western Australia and South Australia—repeat visitation</td>
<td>20,000.00</td>
</tr>
<tr>
<td>MyTravelResearch.com (payment 3)</td>
<td>Destination Visitor Survey program—Western Australia and South Australia—repeat visitation</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd (payment 1)</td>
<td>Regional Tourism Satellite Account models for Tasmania, New South Wales and Queensland</td>
<td>80,000.00</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd (payment 2)</td>
<td>Regional Tourism Satellite Account models for Tasmania, New South Wales and Queensland</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd (payment 3)</td>
<td>Regional Tourism Satellite Account models for Tasmania, New South Wales and Queensland</td>
<td>20,795.05</td>
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<tr>
<td>Instinct and Reason Pty Ltd</td>
<td>Destination Visitor Survey program—Destination NSW domestic youth market</td>
<td>13,145.00</td>
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<tr>
<td>Destination Marketing Store</td>
<td>Destination Visitor Survey program—Australian Capital Territory cycle tourism strategy</td>
<td>35,000.00</td>
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<td>Freshagenda Pty Ltd (payment 1)</td>
<td>Agribusiness and food insight report</td>
<td>36,234.00</td>
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<tr>
<td>Freshagenda Pty Ltd (payment 2)</td>
<td>Agribusiness and food insight report</td>
<td>24,156.00</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd (payment 1)</td>
<td>Destination Visitor Survey program—Northern Territory—Indian travelling market project</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd (payment 2)</td>
<td>Destination Visitor Survey program—Northern Territory—Indian travelling market project</td>
<td>36,000.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd (payment 3)</td>
<td>Destination Visitor Survey Program—Northern Territory—Indian travelling market project</td>
<td>36,000.00</td>
</tr>
<tr>
<td>National Corporate Analysis Pty Ltd</td>
<td>Renewables and energy efficient sector reports</td>
<td>23,100.00</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, July 2016</td>
<td>231,865.93</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, August 2016</td>
<td>231,865.93</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, September 2016</td>
<td>231,865.93</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q3 September 2016</td>
<td>77,288.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, October 2016</td>
<td>231,865.93</td>
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<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, November 2016</td>
<td>231,865.93</td>
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<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, December 2016</td>
<td>231,865.93</td>
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<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q4 December 2016</td>
<td>77,288.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, January 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, February 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, March 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q1 March 2017</td>
<td>78,716.28</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, April 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, May 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey interviews, June 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q2 June 2017</td>
<td>78,716.28</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey airport rental annual fee</td>
<td>55,000.00</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, July 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, August 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, September 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q3 September 2016</td>
<td>68,747.88</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, October 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, November 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, December 2016</td>
<td>206,243.64</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q4 December 2016</td>
<td>68,747.88</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, January 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, February 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, March 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q1 March 2017</td>
<td>70,027.68</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, April 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, May 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey interviews, June 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q2 June 2017</td>
<td>70,027.68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>7,559,994.50</strong></td>
</tr>
</tbody>
</table>
### Table F3: Individual payments of more than $13,000 to direct mail organisations, 2016–17

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keibunsha</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition direct marketing (Japan)</td>
<td>19,619.80</td>
</tr>
<tr>
<td>Mapp Digital UK Ltd</td>
<td>Digital touchpoint service and support</td>
<td>32,473.38</td>
</tr>
<tr>
<td>Mapp Digital UK Ltd</td>
<td>Maintenance, hosting and reporting</td>
<td>25,350.73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>77,443.91</strong></td>
</tr>
</tbody>
</table>

### Table F4: Individual payments of more than $13,000 to media advertising organisations, 2016–17

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KK Dentsu (payment 1)</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Japan)</td>
<td>39,657.60</td>
</tr>
<tr>
<td>KK Dentsu (payment 2)</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Japan)</td>
<td>30,915.73</td>
</tr>
<tr>
<td>Taiwan More Media International</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Taiwan)</td>
<td>37,917.00</td>
</tr>
<tr>
<td>Dabu Integration &amp; Marketing Co Ltd</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Taiwan)</td>
<td>27,338.37</td>
</tr>
<tr>
<td>Dentsu Mitchell Media Australia</td>
<td><em>Australia Unlimited</em> Australia Day Global campaign</td>
<td>35,831.62</td>
</tr>
<tr>
<td>Adbeyond Group Limited (payment 1)</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Hong Kong)</td>
<td>15,304.25</td>
</tr>
<tr>
<td>Adbeyond Group Limited (payment 2)</td>
<td>Australia <em>Future Unlimited</em> Education Exhibition advertising (Hong Kong)</td>
<td>19,445.40</td>
</tr>
<tr>
<td>Dentsu Mitchell Media Australia</td>
<td>Job recruitment advertisement—LinkedIn subscription</td>
<td>19,571.31</td>
</tr>
<tr>
<td>Watermark Search International</td>
<td>Job recruitment advertisement—executive role</td>
<td>17,858.43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>243,839.71</strong></td>
</tr>
</tbody>
</table>
Appendix G

List of requirements

Table G1 contains a list of annual report requirements prepared in accordance with paragraph 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Page references for Austrade’s compliance with these requirements are provided in the right-hand column of the table.

Table G1: List of requirements

<table>
<thead>
<tr>
<th>PGPA Rule reference</th>
<th>Description</th>
<th>Requirement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AD(g)</td>
<td>Letter of transmittal</td>
<td>Mandatory</td>
<td>ii</td>
</tr>
<tr>
<td>17Al</td>
<td>A copy of the letter of transmittal signed and dated by accountable authority on final text approved, with statement that the report has been prepared in accordance with section 46 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and any enabling legislation that specifies additional requirements in relation to the annual report</td>
<td>Mandatory</td>
<td></td>
</tr>
<tr>
<td>17AD(h)</td>
<td>Aids to access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AJ(a)</td>
<td>Table of contents</td>
<td>Mandatory</td>
<td>iii</td>
</tr>
<tr>
<td>17AJ(b)</td>
<td>Alphabetical index</td>
<td>Mandatory</td>
<td>237–47</td>
</tr>
<tr>
<td>17AJ(c)</td>
<td>Abbreviations and acronyms</td>
<td>Mandatory</td>
<td>235–6</td>
</tr>
<tr>
<td>17AJ(d)</td>
<td>List of requirements</td>
<td>Mandatory</td>
<td>228–31</td>
</tr>
<tr>
<td>17AJ(e)</td>
<td>Details of contact officer</td>
<td>Mandatory</td>
<td>248</td>
</tr>
<tr>
<td>17AJ(f)</td>
<td>Entity’s website address</td>
<td>Mandatory</td>
<td>248</td>
</tr>
<tr>
<td>17AJ(g)</td>
<td>Electronic address of report</td>
<td>Mandatory</td>
<td>248</td>
</tr>
<tr>
<td>17AD(a)</td>
<td>Review by accountable authority</td>
<td>Mandatory</td>
<td>8–11</td>
</tr>
<tr>
<td>17AD(b)</td>
<td>Overview of the entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AE(1)(a)(i)</td>
<td>A description of the role and functions of the entity</td>
<td>Mandatory</td>
<td>2–3</td>
</tr>
<tr>
<td>17AE(1)(a)(ii)</td>
<td>A description of the organisational structure of the entity</td>
<td>Mandatory</td>
<td>5</td>
</tr>
<tr>
<td>17AE(1)(a)(iii)</td>
<td>A description of the outcomes and programs administered by the entity</td>
<td>Mandatory</td>
<td>16–18</td>
</tr>
<tr>
<td>17AE(1)(a)(iv)</td>
<td>A description of the purposes of the entity as included in corporate plan</td>
<td>Mandatory</td>
<td>16–18</td>
</tr>
<tr>
<td>17AE(1)(b)</td>
<td>An outline of the structure of the portfolio of the entity</td>
<td>Portfolio departments—mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AE(2)</td>
<td>Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio estimates statements that were prepared for the entity for the period, include details of variation and reasons for change</td>
<td>If applicable, mandatory</td>
<td>Not applicable—no change</td>
</tr>
<tr>
<td>17AD(c)</td>
<td>Report on the performance of the entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16F</td>
<td>Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule</td>
<td>Mandatory</td>
<td>19–34</td>
</tr>
<tr>
<td>PGPA Rule reference</td>
<td>Description</td>
<td>Requirement</td>
<td>Page</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------</td>
<td>-------------</td>
<td>------</td>
</tr>
<tr>
<td>17AD(c)(ii)</td>
<td>Report on financial performance</td>
<td>Mandatory</td>
<td>12–14</td>
</tr>
<tr>
<td>17AF(1)(a)</td>
<td>A discussion and analysis of the entity's financial performance</td>
<td>Mandatory</td>
<td>216–18</td>
</tr>
<tr>
<td>17AF(1)(b)</td>
<td>A table summarising the total resources and total payments of the entity</td>
<td>Mandatory</td>
<td>12–14</td>
</tr>
<tr>
<td>17AF(2)</td>
<td>If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results</td>
<td>If applicable, mandatory</td>
<td>Not applicable–no significant change</td>
</tr>
</tbody>
</table>

**17AD(d) 17AG(2)**

**Management and accountability**

**Corporate governance**

| 17AG(2)(a) | Information on compliance with section 10 of the PGPA Rule (fraud systems) | Mandatory | ii, 140 |
| 17AG(2)(b)(i) | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared | Mandatory | ii, 140 |
| 17AG(2)(b)(ii) | A certification by accountable authority that the entity has in place appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud | Mandatory | ii, 140 |
| 17AG(2)(b)(iii) | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity | Mandatory | ii, 140 |
| 17AG(2)(c) | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance | Mandatory | 132–8 |
| 17AG(2)(d)–(e) | A statement of significant issues reported to Minister under paragraph 19(f)(e) of the PGPA Act that relate to noncompliance with finance law and action taken to remedy noncompliance | If applicable, mandatory | 160 |

**17AG(3)**

**External scrutiny**

| 17AG(3) | Information on the most significant developments in external scrutiny and the entity’s response to the scrutiny | Mandatory | 143–5 |
| 17AG(3)(a) | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity | If applicable, mandatory | 144 |
| 17AG(3)(b) | Information on any reports on operations of the entity by the Auditor-General (other than the report under section 43 of the PGPA Act, a parliamentary committee or the Commonwealth Ombudsman | If applicable, mandatory | 74–5, 143–4 |
| 17AG(3)(c) | Information on any capability reviews on the entity that were released during the period | If applicable, mandatory | Not applicable |

**17AG(4)**

**Management of human resources**

<p>| 17AG(4)(a) | An assessment of the entity’s effectiveness in managing and developing employees to achieve entity objectives | Mandatory | 145–59 |</p>
<table>
<thead>
<tr>
<th>PGPA Rule reference</th>
<th>Description</th>
<th>Requirement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AG(4)(b)</td>
<td>Statistics on the entity’s APS employees on an ongoing and non-ongoing basis, including statistics on: staffing classification level, full-time employees, part-time employees, gender, staff location, employees who identify as Indigenous</td>
<td>Mandatory</td>
<td>148–52</td>
</tr>
<tr>
<td>17AG(4)(c)</td>
<td>Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999</td>
<td>Mandatory</td>
<td>151–3</td>
</tr>
<tr>
<td>17AG(4)(c)(i)</td>
<td>Information on the number of SES and non-SES employees covered by agreements, etc. identified in paragraph 17AG(4)(c)</td>
<td>Mandatory</td>
<td>151–2</td>
</tr>
<tr>
<td>17AG(4)(c)(ii)</td>
<td>The salary ranges available for APS employees by classification level</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(4)(c)(iii)</td>
<td>A description of non-salary benefits provided to employees</td>
<td>Mandatory</td>
<td>151–3</td>
</tr>
<tr>
<td>17AG(4)(d)(i)</td>
<td>Information on the number of employees at each classification level who received performance pay</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(ii)</td>
<td>Information on aggregate amounts of performance pay at each classification level</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(iii)</td>
<td>Information on the average amount of performance payment, and range of such payments, at each classification level</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(iv)</td>
<td>Information on aggregate amount of performance payments</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(5)</td>
<td>Asset management</td>
<td>If applicable, mandatory</td>
<td>161</td>
</tr>
<tr>
<td>17AG(5)</td>
<td>An assessment of effectiveness of asset management where asset management is a significant part of the entity’s activities</td>
<td>Mandatory</td>
<td>162–3</td>
</tr>
<tr>
<td>17AG(6)</td>
<td>Purchasing</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AG(7)</td>
<td>Consultants</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AG(7)(a)</td>
<td>A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AG(7)(b)</td>
<td>A statement that ‘During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of $[specified million].’</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AG(7)(c)</td>
<td>A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AG(7)(d)</td>
<td>A statement that ‘Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.’</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>PGPA Rule reference</td>
<td>Description</td>
<td>Requirement</td>
<td>Page</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>------</td>
</tr>
<tr>
<td>17AG(8)</td>
<td><strong>Australian National Audit Office access clause</strong></td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(8)</td>
<td>If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract</td>
<td>If applicable, mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AG(9)</td>
<td><strong>Exempt contracts</strong></td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(9)</td>
<td>If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published on AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters</td>
<td>If applicable, mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AG(10)</td>
<td><strong>Small business</strong></td>
<td>Mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AG(10)(a)</td>
<td>A statement that &quot;[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise and small enterprise participation statistics are available on the Department of Finance’s website.&quot;</td>
<td>Mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AG(10)(b)</td>
<td>An outline of the ways in which the procurement practices of the entity support small and medium-sized enterprises</td>
<td>Mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AG(10)(c)</td>
<td>If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that &quot;[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury’s website.&quot;</td>
<td>If applicable, mandatory</td>
<td>164</td>
</tr>
<tr>
<td>17AD(e)</td>
<td><strong>Financial statements</strong></td>
<td>Mandatory</td>
<td>169–208</td>
</tr>
<tr>
<td>17AD(e)</td>
<td>Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act</td>
<td>Mandatory</td>
<td>169–208</td>
</tr>
<tr>
<td>17AD(f)</td>
<td><strong>Other mandatory information</strong></td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AH(1)(a)(i)</td>
<td>If the entity conducted advertising campaigns, a statement that &quot;During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.&quot;</td>
<td>If applicable, mandatory</td>
<td>87, 124</td>
</tr>
<tr>
<td>17AH(1)(a)(ii)</td>
<td>If the entity did not conduct advertising campaigns, a statement to that effect</td>
<td>If applicable, mandatory</td>
<td>222</td>
</tr>
<tr>
<td>17AH(1)(b)</td>
<td>A statement that ‘Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].’</td>
<td>If applicable, mandatory</td>
<td>156</td>
</tr>
<tr>
<td>17AH(1)(c)</td>
<td>Outline of mechanisms of disability reporting, including reference to website for further information</td>
<td>Mandatory</td>
<td>145</td>
</tr>
<tr>
<td>17AH(1)(d)</td>
<td>A reference to the website where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found</td>
<td>Mandatory</td>
<td>163</td>
</tr>
<tr>
<td>17AH(1)(e)</td>
<td>Correction of material errors in previous annual report</td>
<td>If applicable, mandatory</td>
<td>3, 59, 83–4, 143–5, 156–7, 164–5, 219–21, 222–7</td>
</tr>
<tr>
<td>17AH(2)</td>
<td>Information required by other legislation</td>
<td>Mandatory</td>
<td>231</td>
</tr>
</tbody>
</table>

(a) Austrade administers the Export Market Development Grants (EMDG) scheme. It is a legislated scheme, not a discretionary grants program, so a page reference to the EMDG scheme has not been included under this requirement. For information on the EMDG scheme, see pages 76–84.
List of figures and tables

**Figures**

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Abbreviations and acronyms

AAT  Administrative Appeals Tribunal
ABS  Australian Bureau of Statistics
ADB  Asian Development Bank
ADS  Approved Destination Status
AIBS  Australia’s International Business Survey
ANAO  Australian National Audit Office
AOPL  Austrade Overseas Performance Level
APL  Austrade Performance Level
APS  Australian Public Service
ASEAN  Association of Southeast Asian Nations
AS/NZS  Australian Standard/New Zealand Standard
ATMC  Australian Tropical Medicine Commercialisation
Austrade  Australian Trade and Investment Commission
B2B  business-to-business
CEO  chief executive officer
CSIRO  Commonwealth Scientific and Industrial Research Organisation
DFAT  Department of Foreign Affairs and Trade
Efic  Export Finance and Insurance Corporation
EMDG  Export Market Development Grants
EMDG Act  Export Market Development Grants Act 1997
FDI  foreign direct investment
FOI Act  Freedom of Information Act 1982
FTA  free trade agreement
GDP  gross domestic product
GST  goods and services tax
IABW  Indonesia Australia Business Week
ICT  information and communications technology
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<td>International Monetary Fund</td>
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<td>ISA</td>
<td>Innovation and Science Australia</td>
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<td>ISO</td>
<td>International Organization for Standardization</td>
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<td>IT</td>
<td>information technology</td>
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<td>JAEPA</td>
<td>Japan–Australia Economic Partnership Agreement</td>
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<td>Market Information Package</td>
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**Internal auditor**

PricewaterhouseCoopers  
28 Sydney Avenue  
Forrest ACT 2603

**External auditor**

Australian National Audit Office  
Centenary House  
19 National Circuit  
Barton ACT 2600

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**Contact us**

Enquiries about this annual report are welcome and should be directed to:  
Head of Executive Branch  
Austrade  
GPO Box 5301  
Sydney NSW 2001  
Phone: 02 9392 2000  
Fax: 02 9392 2777  
www.austrade.gov.au

Twitter: @austrade  
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(a) AEMEA = Americas, Europe, Middle East and Africa. This market grouping also includes New Zealand and the South Pacific.
(b) Landing Pad services only from this location.